Africa seeks road to recovery. Page 4

Monday June 22 1987

#### World news India's

#### **President** refuses to defect

parties selected Mr Krishan Iyer, a US publishing group fighting off a 72-year-old former supreme court bid from Mr Robert Maxwell's Brit-judge, to oppose Prime Minister Rajish Printing and Communications jiv Gandhi's ruling Congress (1) Corporation, faced new threat with Party in the July 13 presidential the disclosure that Salomon Broth-parties.

Mr Iyer was chosen after Presi-bentures which could be convertible dent Zail Singh, a senior figure in the Congress party, refused an invi-common stock. Page 21 tation from the opposition groups to party. Page 2

#### Kurds kill villagers

Kurdish separatist guerrillas murdollar was firmer against the D-dered 30 people, including 16 chil-lark and there was no pressure on dren, in an armed raid on the village of Pinarcik in south east Turkey. The death toll was the highest since Kurdish rebels resumed violent struggle for a separate state in August 1984, Page 3

#### Stability in Sharjah

The ruler of Sharjah, Sheikh Sultan was reinstated after a four day pow-er struggle with his brother Sheikh Abdul Aziz who is to be crown prince of the oil producing emirate in the southern Gulf. Page 3

Barcelona toll rises The death toll in Friday's bomb blast at a Barcelona supermarket rose to 17 as thousands of people demonstrated against Basque se-paratist violence, which has been growing in the city since last year.

Soviets go to polis Millions of Soviet voters went to the polls to elect new local government councils and district court judges. For the first time in some electoral districts, voters were able to choose from more than one candidate.

#### iraq warns of raids

Iraq warned Tebran that it was preparing further beavy attacks on Iranian targets following an end to Baghdad's self-imposed moratorium on raiding Iran's oil export sup-

#### Bomb in Manila

Men in a car tossed a grenade and opened fire at the Philippine Commission on Elections building, wounding two people in the fourth attack on buildings in Manila this week. In the central Philippines, su-spected Communist assassins shot dead an army colonel, the 15th armed forces official killed this

#### Tarmac collision

Two jumbo jets sustained significant damage and an American passenger was injured in a collision on the tarmac of Vienna airport. Both aircraft were grounded.

#### Torture of Tamils

Amnesty International accused the Sri Lankan security forces of torturing Tamils suspected of anti-government activities. The human rights organisation said it had documented more than 500 cases in the past two and a half years.

#### Balloon bid delayed

Poor weather over the North Atlantic forced a second delay to millionaire Richard Branson's bid to make the first Atlantic crossing by hot air balloon. Weathermen in Maine have advised that the 200 ftall balloon should not take off be-

#### New flying record

A four man team flying a Lockheed 18 broke the 49-year-old record set by the late Howard Hughes for flying around the world in a propeller driven aircraft. The new record is 88 hours and 48 minutes.

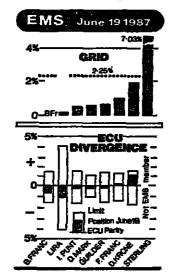
#### 101st Wimbledon

The 101st Wimbledon lawn tennis championship begins today with Boris Becker striving for his third successive men's tennis title. Becker is seeded number one, ahead of Ivan Lendl who is ranked first on the world tables. Martina Navratilova is seeded to win the women's title for the eighth successive year.

#### Business summary **Salomon** buys key stake in Harcourt

A committee of India's opposition HARCOURT BRACE Jovanovich, ers had accumulated a block of de-

defect and run against Mr Gandhi's EUROPEAN Monetary System Trading was subdued within the EMS last week partly due to the closure of most West German centres on Wednesday and Thursday. The



the weaker members such as the Belgian franc. Conditions were sufficiently relaxed to allow the Belgian central bank to cut short-term interest rates although the discount rate remained at 7.75 per cent. The Danish krone was again the most improved currency from its central rate, followed by the D-Mark.

The chart shows the two constraints on European Monetary System ex-change rates. The upper grid, based on the weakest currency in the system. defines the cross rates from which no currency (except the tira)
may move more than 2% per cent.
The lower chart gives each currency's divergence from its "central
mate" against the European Curreney Unit (ECU), its

UK manufacturing industry re mains confident that its strong performance in the first half will continue in the second half of this year.

ERICSSON, Swedish telecommunications group, is planning for a large increase in digital telephone exchange order from British Telecom, the UK telecom company

AMERICAN EXPRESS, US financial services conglomerate, will report a second-quarter loss of \$50m after taking a \$520m charge to cover a quadrupling in the loan loss

reserve of its American Express

Bank subsidiary. Page 22 NORWEGIAN trade deficit fell to NKr 34m (\$5.07m) from NKr 2.28bn in May 1986. The krone is at its strongest since last July. Page 5 RANGLADESH is to spend nearly \$530m on importing 2m tonnes of grain in 1987-88 to belp overcome

JAPANESE city banks have petitioned the Ministry of Finance to allow their overseas securities subsi-diaries to establish representative

offices in Japan. Page 22 SQUIBB, the US pharmaceuticals group, is taking a 5 per cent stake in Cetus, the West Coast bio-engineering company, as part of a joint venture to develop and market new

drugs, Page 21 Mc DERMOTT International, the New Orleans based energy services group, suffered net loss of \$260m in the latest quarter after making provision for the closure of its seamless tubular materials business

BOND CORP International, Hong Kong holding company for Mr Alan Bond's business interests, expects profits of HK\$138m (US\$17m) for the first six months of the current

# Martens launches US seeks to bid to avert EC summit crisis

BY QUENTIN PEEL IN BRUSSELS

take a hectic tour of all the capitals

It coincides with an attempt by

Tindemans, the Belgian Foreign tions and agricultural reform.

Minister, in Luxembourg today, to Madrid will also be a key stop, be-Tindemans, the Belgian Foreign

budget funds, and the inability of for the poorest regions.
the 12 member states to agree on Officials in Brussels fear the whether and when to raise their prospect of the summit being held short that it he carries out his threat long-term cash contributions. That, in turn, is directly linked to the urgent need for an overhand of the agriculture ministers, a device seen as the only way is term, a device seen as the only way of forcing the national governments to vace up to the way their deciposation.

The prospect of the summit being held short in he carries out his threat simultaneously with council meet—on the cut farm spending by 30 per ings of budget and agriculture ministers, a device seen as the only way to 50 per cent from the end of July of forcing the national governments to vace up to the way their deciposation.

BY TONY WALKER IN KUWAIT

has struck a mine near the en-

trance to the Ahmadi channel.

rlanker carrying Ki

and was forced to return to port.

seems that a systematic attempt by

Iran is under way to disrupt ship-

The officials say that earlier specu-

lation that ships were hit by mines

drifting in the northern Gulf now

All the explosions have occurred

in a relativively small area, mesur-

ing a few square kilometres on the fringes of Kuwait's territorial wa-

The four tankers which have en-

countered mines off Kuwait are the

ning in Kuwaiti waters.

appears implausible.

in about a month in which a ship on June 19.

Western officials in Kuwait say it because of the mines.

on regional and social policies.

All the problems are coming to tions in the event of a deadlocked gian Prime Minister, is to under- on regional and social policies. of the European Community this gether in time for the Brussels sum-summit. week, in a bid to rescue next week's mit on June 29 and 30, a challenge EC summit from deadlock over fulkely to tax even the formidable ne-

hole (\$5.67bn to \$6.8bn) in the curof increasing budget contributions the ministers have failed to agree
rent budget.

without radical reform of farm polion. cy, and in Bonn, where Chancellor EC Foreign Ministers, meeting un-Helmut Kohl's government is equal Delors, the Commission President,

reconcile their differences on long-cause for the Spanish Government. Henning Christophersen, the Budterm budget reforms in advance of has refused to give its blessing to get Commissioner, to decide how any short-term budget solution, and when he should implement his At the heart of the negotiations without sumultaneous agreement threat to cut back current EC lies the renewed exhaustion of EC on a long-term deal, with more cash spending, in the absence of any

whether and when to raise their prospect of the summit being held sion that if he carries out his threat

**Kuwait appeals for help** 

Kuwait's main oil shipping channel

Kuwait's appeal for help to counter

the new menace of mines disrupt-

ing its oil routes coincides with

Mr Hussein Mousavi, Iran's

Prime Minister, denounced Kuwait

at the weekend following an Iraqi

attack on an oil tanker bound for

Kharg Island, the Iranian oil load-

ing facility in the northern Gulf.

Iraq's aircraft pass through Kuwaiti

airspace in their missions over the Gulf.

fresh threats from Iran.

to clear Gulf mines

MR WILFRIED Martens, the Bel- states for more money to be spent For its part, the European Com-

On Saturday, the Commission ture financing and reform of the Common Agricultural Policy (CAP).

His mission follows the failure of the 12 national Agriculture Ministers to agree on form a first mission follows the failure of the 12 national Agriculture Ministers to agree on form a first mission follows the failure of the 12 national Agriculture Ministers to agree on form a first mission follows the failure of the 12 national Agriculture Ministers to agree on form a first mission for the failure of the failure ters to agree on farm prices for the Martens' tour will be in London on a prices package. That is expected current year, and the inability of Tuesday, where Mrs Margaret to mean imposing the sort of price current year, and the inability of Tuesday, where Mrs Margaret to mean imposing the sort of price the 12 Budget Ministers to decide Thatcher, the British Prime Ministers to the Commission has proposed, but ter, is the most adamant opponent the Commission has proposed, but

on. Over the weekend, Mr Jacques der the chairmanship of Mr Leo by opposed to increased contribu- also held talks with his two key the Farm Commissioner and Mr

budget settlement. There are fears in the Commis-

the way for American's presence in

It is unclear how extensive has

# BY MICHAEL THOMPSON-NOEL IN LONDON DESPITE the violent demonstra-

First, the rioting and warnings from Mr Lee Han Key, the South Korean Prime Minister, that emerbeen the sowing of mines in the Ahmadi channel. Officials say that it could cause countries or individual may just amount to a small number of mines placed there by Iranian athietes to pull out, or deter tour-

Revolutionary Guards who move in and out of the area quickly in small The nature of the mines has also vet to be established. They may be contact" mines or the acoustic varlety which sit on the bottom and then pop up at the sound of a ship

approaching.

The latter were used to mine ap-

# proaches to the Suez canal in 1984.

The Daily Express Fleet Street

The northern editions of the newspapers will be printed on new es at the Express's Manches ed Newspapers plant at Broughton

London and pages transmitted by faximile machine.

Continued on Page 20

# speed reform in S. Korea

this time."

BY LIONEL BARBER IN WASHINGTON AND

A SENIOR US State Department "That is always a possibility, but I official, Dr Gaston Sigur, is due to don't think it is a serious problem at arrive in Seoul today on a delicate mission to promote a compromise over political reform in riot-torn South Korea.

His visit comes as police continue to crack down in provincial cities, arresting more than 1,000 people in Pusan yesterday following serious rioting the night before.

Dr Sigur said yesterday that he would have "very broad exposure" during his visit, which suggested he would seek talks not just with President Chun and the ruling party, but also with opposition leaders.

Dr Sigur's emergency mission fol-lows almost two weeks of street protests over Mr Chun's decision to end debate on the choice of a successor and general frustration with the slow pace of democratisation.

The diplomatic intervention of the US reflects Washington's con-

cern over stability in South Korea, which is a close political and mili-

al city public transport was yester-day suspended.

Although Seoul was quiet after a number of incidents on Saturday, sporadic outbursts of violence occurred elsewhere. In Taegu, home town of President Chun, two gov-ernment buildings were set on fire.

President Reagan is believed to have sent a letter to President Chun

last week pressing him to resume a

dialogue with the opposition parties

and urging him not to overreact to the street protests which have been led by students and supported by

in Pusan over the weekend dem

onstrators took over 50 buses and

an oil tanker. Police were forced to

call for reinforcements from other

provinces, and in an effort to calm

down South Korea's main industri

the Korean middle class.

Dr Sigur said he supported calls for electoral reform, an end to press censorship and a dialogue about po-Dr Sigur, asked on US television litical change. "Change has got to about the possibility of a coup by take place... and talk is not the South Korean military, said: enough, there has got to be action."

# **Prospects for Seoul** Olympics 'unchanged'

tions which have rocked South Korea over the past 12 days, prompting fears that martial law might be imposed, there appears to be no immediate threat to next summer's Olympic Games, due to be held in the country's capital, Seoul. Mr Charles Palmer, chairman of

KUWAIT has appealed to the US Soviet's Marshall Chuikov on May Persian Gulf will be much greater and Saudi Arabia to help clear 18, the Panamaniam Primrose on than in the past," Mr Mousavi said: "We have evidence that proves Kuits main oil-loading facilities." May 27, the Greek Ethnic on June 9 "We have evidence that proves Kuits main oil-loading facilities." the British Olympic Association, said at the weekend that prospects its main oil-loading facilities.

and, most recently, the 273,498-ton wait provided the facilities for this
This follows the fourth incident Liberian-registered Stena Explorer attack, whose purpose was to pave for the games were "absolutely unchanged and only an act of war would cause them to be cancelled. has struck a mine near the en-rance to the Ahmadi channel.

Lloyd's Shipping Intelligence Un-it reported late last week that the On Friday, a Liberian-registered US Hydographic Office in Washing-US Hydographic Office in Washing-However, the International Olym-pic Committee does face problems arising from South Korea's political

country might be forced to take

Third, and a potentially more serious headache for the committee, is the demand by the country's Communist neighbour, North Korea, that it should be allowed to stage more sports and events than those already allocated to ist. Next month, officials from both countries will meet at the committee's headquarters in Lausanne, Switzerland, to discuss the issue. Mr Palmer conceded that the

South Korean Government faced serious problems. Formerly, that country would have put down student unrest with the greatest des-patch. There would have been erai hundred deaths would have been that. But South Korea is trying to soften its image. so it's caught in a squeeze - trying gency measures may be introduced, to be nice to the demonstrators be cause of the Olympics while the demonstrators are nasty to it."

To summise that the Seoul games Second, there is always the pos- are in any greater jeopardy than sibility of a games boycott by one or other Olympics of the past 20 years other of the superpowers, a pros- is to underestimate the determinapect heighbaned by hints from Rus-sian officials last week that the to make sure they are held. While to make sure they are held. While

Continued on Page 20



#### Vatican defends Waldheim visit

By Alan Friedman in Milan

THE VATICAN attempted yesterday to caim the growing controversy over this week's planned state visit by President Kurt Waldheim of Austria to the Holy See. The meeting with Pope John Paul II, planned for Thursday, will be Mr Waldheim's first foreign trip since he was elected a year ago. The Vatican defence of Mr Wald-

heim's visit comes amid numerous international protests against the Pope's plan to receive the Austrian eader, who is accused of involvement in Nazi war crimes during the second world war and who has been banned from making an official vis-

With the Italian Government diplomatically sidestepping any visit from Mr Waldheim, Pope John Paul II has been sharply criticised by Jewish groups in Italy, the US and Israel and by some Italian politicians for his decision.

The Waldheim visit to the Vatican, which follows a request from Vienna, is being seen in Italy as a highly embarrassing matter, which the Jewish community in Rome says amounts to an official absolution of Mr Waldheim by the Pope. Mr Elio Toaff, the chief rabbi in Rome, sent a telegram of protest to Pope John Paul II in which he expressed outrage at "this act of re-habilitating a person who is su-spected of complicity in war

Rabbi Toaff added that it was Vatican should place itself alongside those few countries such as Libya, Jordan and Uganda which have invited Mr Waldheim for a state visit.

The Holy See yesterday responded by rejecting all criticism of the meeting between Mr Waldheim and the Pope and by saying the Vatican is "profoundly surprised and pained" by the criticism. In a lengthy communique the

Continued on Page 20

# Well, if you paid twenty thousand odd for it in '65, I'd say

we can offer you a good forty for it...same again Norman?

Twice the price you paid for it might seem a lot...but are you sure?

Valuing property is our business...every day, our professional partners are valuing all types of commercial property: shops, offices, factories, warehouses and land from offices throughout

Call your advisors the difference may be a large one...

the UK and Europe.



#### Warning that "insecurity in the Express puts last nail in Fleet Street's coffin

suffered minor damage to its bow to "exercise extreme caution" in

BY RAYMOND SNODDY IN LONDON

its plans to leave...

United Newspapers, owners of the Express Group and publishers Dogs, also a former dock area, of The Daily Express and The Sun-where their modern new printing day Express and Star will be joining all the other national newspapers which have already begun building new printing plants in London's former docks area or moving towards distributive printing in diferent parts of the country.

The move away from Fleet Street, the heart of the British printing industry for several centures, has been under way for the past three years but gained momentum when Mr Rupert Murdoch moved his four national titles to Wapping more than a year ago. Pa- The plants are likely to mean the pers such as the Daily Mail are loss of a further 2,000 jobs on top of building modern printing plants in the docklands and moving their journalists out of Fleet Street - in the Mail's case to Kensington, above a department store.

THE FORMAL death of Fleet Other newspapers on the move Street as a production centre for include the Observer which is mov-Britain's national newspapers is ing its editorial offices to Battersea likely to be announced on July 2 in South West London. Next month when Express Newspapers unveils the near-neighbours of the Express in Fleet Street, the Daily Telegraph journalists, move to the lale of plant has been built.

When they all leave, the Fleet Street pubs will be left entirely to the lawyers from the near-by High Court and the growing number of fi-nanciers as the City of London financial district spills over into Fleet

United has been working on a Blackfriars. comprehensive package for the fu-ture of its national newspaper, including a move to direct input of copy by journalists, for more than a ter printing hall and at a new Unit-

loss of a further 2,000 jobs on top of more than 2,000 which went last tion will, however, be made up in year after a closure ultimatum to

The Express headquarters in Fleet Street, built by Lord Beaver-

brook and now a listed building, is to be sold, and journalists moved to Invicta Piaza, south of the river at

Companies ..... 21-23 Companies ..... 24

Letters..... 19 Unit Trusts ...... 30-33 World Guide ...... 17

THE <u>MONDAY</u> PAGE

**NTERVIEW** 

Roger Smith, chairman of General Motors, Page 16

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Justinian: anomalies of a high office. 16

City of London: this time redevelopment

# Reagan launches budget 'roadshow'

arrives today at the dictaphone plant by the Indian River, on the coast of Southern Florida, he will launch what he grandly calls "an economic bill of rights."

More prosaically, the president's subject is budget reform, and over the next few weeks he will take his message to other American businesses and communities.

Back in Washington, there is deep cynicism about Mr Rea-gan's road show. The views vary from the over-simplistic president just want to get out of town when the big bombs drop at the Irangate hearings to the Machiavellian—Mr Reagan is using budget reform as creen for inaction.

"The problem is not the process," says Mr Robert Byrd Senate majority leader. "The problem is the president who is leading a party that won't participate."

Confrontation between the Democrat majority in Congress and a second-term Republican president has implications way beyond domestic US politics.

The \$200bn US budget deficit is widely blamed for creating other global economic imbalances and is a source of concern throughout the international

community. Any successful Lawmakers are tinkering move to cut the deficit would with the idea of excise taxes on have an immediate effect on petrol, cigarettes, liquor and currency and financial markets. This week, both the House of Representatives and the US Senate will pass a trillion-dollar budget for fiscal year 1988, starting this October 1, thus setting the stage for a prolonged battle with the Presi-

dent on tax and defence

It will appear long on rhetoric and short on substance, but be-hind the scenes in Washington. Democrats are already laying plans to corall the President and force him to do a deal. Mr Reagan has so far ruled out talks because he says he will not approve tax increases

and he objects to cuts imposed by Corgress on defence spend-

In his own budget last January, Mr Reagan requested a 3 per cent real increase in defence spending to \$312bn. House-Senate talks last week produced a compromise figure of \$296bn and a proposal for a tax increase of \$19.3bn, as yet

The next stage will be to send the figures to the Democrats tax writing committees who will figure out who is going to shamp up the \$19.20n.

with the idea of excise taxes on petrol, cigarettes, liquor and beer—moves which have brought lobbyists swarming like cicadas to Capitol Hill.

Reconciling revenue with spending will be difficult, in-volving painful choices for Democrats who know their budget will set part of the political agenda for the 1988 presidential campaign.

But those close to the budget process say their main aim is to establish the principle of tax rises and force a stubborn president to swallow it.

The challenge therefore will be to put together a package which the President will find hard to refuse, incorporating tax rises, marginal defence spending squeeze, and the President's own baby, budget

"We believe the White House has made a big tactical mistake in taking the president out of town. That enables us to take the initiative," said one

One strong indicator of the Democrat strategy will be the two track defence/tax proposal put together by Senator Lawton Chiles, who chairs the Senate budget committee.

by saying that the \$296bn for defence would only work if the president agreed to a \$19.3bn tax rise; if not, defence spending would fall to \$289bn.

The best opportunity to pursue this carrot and stick approach with the White House will come next month when Congress considers a bill to raise the national debt ceiling so the US can continue to issue securities to pay its bills.

Senator Chiles has attached his tax-raising bill to the debt bill, a shrewd move since the president must sign a debt bill so the US Treasury can continue to borrow.

Failure to do so could cause the Treasury to back off, forc-ing higher interest rates and costing billions.

"The idea is to trap the president into exerting responsibility for the mess," said one con-gressman, noting that the second most important target was the White House chief of staff and former senate Republican majority leader. Howard Baker.

"Baker knows the score be-cause he was on Capitol Hill when the budget deficit built up. We know he wants to talk

#### Peruvian 'terrorist plot dismantled'

By Barbara Durr in Lima

THE PERUVIAN GOVERNMENT claims it foiled a terrorist plot to black out Lima and unleash a series of attacks across the city. Police de-tained 30 people suspected of being involved in the plan.
Friday was the first anniversar

of a massacre at three Lima pris ons, where between 250 and 300 in mates accused of terrorism were killed by the military police.

Mr Abel Salinas, the interior mir

ster, issued a communique saying intelligence sources had unco the plan which was said to have been timed for Friday night. This would have coincided with the first anniversary of the massacre at three Lima prisons, where between 250 and 300 inmates were killed by military police.

The Minister warned Lima's citizens to "take the necessary precau-tions," a phrase that caused near panic as workplaces, restaurants and bars rushed to close early, leaving the streets virtually deserted at the usually busy hour of 9 pm.

While the Government put the armed forces and police on alert, the Sendero Luminoso guerrilla group held its first open public rally. Under a three-storey high red banner with a bright gold hammer and sickle in the centre, the guerrillas paid homage with speeches, sic and poetry to the prisoners.

# Indian President's move averts crisis for Gandhi '10'

BY JOHN ELLIOT IN NEW DELHI

THE RISK of a fresh political crisis spread, would have seriously under-hitting Mr Rajiv Gandhi, the Indian mined Mr Gandhi's chances of surhitting Mr Rajiv Gandhi, the Indian prime minister, was averted last vival in power.
night when Mr Zail Singh, the country's president and a senior figure in Mr Gandhi's Congress (I) party, refused an offer from opposition for a new president.

The opposition's aim was to provide an opportunity for Congress I MPs to demonstrate their dissatisfaction with Mr Gandhi by voting secretly in the presidential election for Mr Singh. Such a revolt, if wide-

Mr Singh last night told Mr Gandhi he stood by his recent decision not parties to defect and become their to seek a second term and that he candidate in elections next month had no intention of doing anythms 'unconstitutional".

However, after a weekend of poi-

tical manouevering in New Delhi,

Mr Singh, who has had major clashes bordering on a constitutional crisis with Mr Gandhi in recent months, will retire in five weeks and is not being offered a second term by Congress L

Following last week's trouncing of the Congress I in the Haryana state elections, opposition leaders tried over the weekend to compound Mr Gandhi's problems by persuading Mr Singh to leave his party and become their nominee against the official Congress I candidate, Mr R. Venkataraman, the

The opposition parties will today chose Mr Krishna Iyer, former supreme court judge, as their presidential candidate although, without a Congress I revolt, he has no

# Debt likely to top IMF agenda

BY DAVID LASCELLES IN HAMBURG

THE IMPACT of the recent large provisions made by international banks against their Third World loans is expected to dominate discussions at the International Monetary Conference which opens here phase.

The three day session attended by the chairman of the world's 100 largest banks will be addressed by top financial officials including Mr Paul Volcker, the outgoing chairman of the Federal Reserve, and Mr Gerhard Stoltenberg, the West German Finance Minister.

ADVERTISEMENT

Bankers said here last night that the recent wave of provision making amounting to several billion dollars meant that resolution of the debt problem had moved into a new

it was still unclear what effect the provisions would have on relations between the banks and their sovereign debtors: whether it would facilitate or choke off the flow of new money.

Mr John Reed, the chairman of provisions with a \$3bn charge last president of the Bundesbank.

month, is among those attending the event

The conference will also discuss international monetary reform, financial regulation and the European market. On Wednesday, leading central bankers will review current financial and banking affairs. Apart from Mr Volcker, they include Mr Robin Leigh Pemberton, Governor of the Bank of England, Mr Jacques de Larosiere, Governor of the Bank of France, Mr Takeshi Ohta, Deputy Governor of the Bank Citicorp, who started the round of of Japan, and Mr Karl Otto Pühl

#### Travelling by air on business? FINANCIAL TIMES

#### INSIDE CORPORATE STRATEGY

#### **Enso-Gutzeit:**

# A Taste for Controversy

" I have never believed in diversification," admits the president of Enso-Gutzeit. Pentti Salmi, the outspoken head of Finland's largest papermaker, is not atraid of defying

Ten years ago, there were fears that Enso's losses might never be stemmed. Saimi ruthlessly streamlined the company and revitalised management and marketing. Last year the turn-around was celebrated with three major acquisitions. Enso-Guizeit has

While other papermakers were pondering link-ups engineering, Enso-Gutzeit was slimming back down to being a papermaker. "You can only operate with credibility if you know your business," Salmi says. "Our people know the paper busi-

"Previously we were in the shipping business, we had machine works, we even produced flexible packaging, which is plastics. We restructured this company to get rid of all unnecessary assets, and put all the money into what we know." Salmi describes Enso's sector as "anything to do with wood. We buy ten million cubic metres of it. Our 30 plants process it. Then we see what the bottom line is."

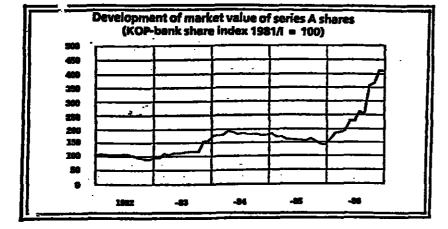
#### Assertive new line

Salmi dismisses the theory of diversifying to escape the cyclical nature of the paper business. "It is cyclical only if you are in bulk products. That is why we have restructured our product selection. With the help of our research centre, we have developed new specialty products aimed at narrow segments, which are not disturbed by business cycles. One example is liquid packaging board-milk has to be packaged every day whatever stage of the business cycle you are in."

The company's new success and assertiveness was reflected in its decision to withdraw completely from Finnpap, the Association of Finnish Paper Mills, from the start of this year. The main reason, says Salmi, was that Finnpap marketing rules were hindering Enso-Gutzeit's innovations. "When you've invested 300 million Finnish marks into producing an advanced kind of printing paper, you'd be crazy to let anything stand in its way."

The company is now challenging its rivals head on "but being outside Finnpap gives us an advantage in speed and flexibility over the companies still inside. We have gone a long way in delegating authority and responsibility, and our people can make very quick decisions."

Enso-Gutzeit dates back as far as 1872. Its Norwegian shareholders sold most of their shares to the newly independent state of Finland in 1918, bequeathing only the name to future operations. The state has had a majority holding in Enso-Gutzeit ever since, though it's also quoted on the stock exchange and has nearly 20,000 private share-



#### Perils of politics

State control was one factor in the deterioration of company finances in the 1970's, but Salmi sees the politicisation of companies as something not confined to the public sector. "The trouble

able place to put the money than Eurocan," he insists.

"In fact it would make sense to increase our investment in the USA or Canada. If we transferred our technology to North America. then using our export organisa-



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always begins if top management has personal goals that are different from those of the company. If the chairman has political ambitions, that is the start of a disaster."

Today, Enso-Gutzeit is back in the hands of professional managers. Only in one area does Pentti Salmi concede that state ownership affects management decisions. "I can very well understand why private Finnish paper mills are investing in Wales, or Germany or Scotland, but in our case the decision-making process is more difficult. Our first priority is to take care of domestic investment"

#### Eurocan beoms

Even so, Enso-Gutzeit's chairman is strongly resisting pressure to sell the company's one major overseas asset, its Eurocan paper and saw mills in British Columbia, Canada, jointly owned with West Fraser Timber. "I don't think I could find a more profittion we could certainly make money."

The forest policies of the state get short shrift from this iconoclastic public servant. "Finnish paper companies are not only establishing themselves abroad: we're also doing a lot of research in reducing the wood content of paper. This is evidence of two things—that our wood prices are too high and that supplies are too

Much of Finland's forests are owned by private farmers, who have a strong central organisation. "We can never be sure if we are going to get all the wood we need for next year, and what price we are going to have to pay. Our purchasing organisation has to make over 15,000 contracts

every year." Salmi is urging the new government to rework its policy towards the paper industry. "It does not make sense to scare investment away from this country when we have unused reserves of wood here." Not that he expects miracles: "Finland just isn't run as efficiently as Enso-Gutzeit!"

# China opens its door to marketing

IT WAS not unusual for there to be talk of "revolution" in the Great Hall of the People, and "global strategy" is a term the Communist Party has employed. Yet the closing day of China's largest advertising conference must have disturbed the sleep of Mao Zedong, who lies only a few hundred metres from the Great Hall

As it has been for the past week. the Third World Advertising Congress was filled with compliments for first world marketing success stories such as Coca-Cola and McDonalds, and punctuated by opti-mistic projections for a China that has begun to play by the industry's

"We have heard so much about Coca-Cola that I expected the Queen to be coming in on a horse recent drinking a bottle, joked the head of Party. a corporate sponsorship consultan-

A few minutes earlier, Chinese uct and sector-oriented.

A delegates had been addressed on global branding and the Heinz ketchup experience, that is, how the constant and the western jargon "a bit confusing", but thought a few of the disconstant and the western particular constant and the western particular constant and the western particular constant and the western product the west ery sponsor. Heinz company convinced the west-cussions were enlightening parti-ern masses that their ketchup is culary a session on the fashioning "thicker and richer" than the rest.

Then, the "Idaho potato concept" silk.

was discussed - all this in the home

Many of the foreigners, who al-

of the Communist Party! The executive vice-president of ing, were there to meet Chinese Nestle, the international food Import and Export Corporation offigroup, Mr Camillo Pagano, was cials in the hope of a deal or two.

Mr Pagano explained that in the gress in conjunction with the China case of Nescafe, his company had National Advertising Association kept the brand but varied the coffee for Foreign Economic Relations to suit each country's "culture of and Trade.

coffee" - a culture yet to be refined Mr Gauhar became very spiritual

There were about 1,500 delegates, call the word. 600 of them Chinese, at the five day day. Chinese officials took advantage of the occasion to assure the attending foreigners that the "open door" policy would remain in place, despite the political turbulence of a quote from a book not watery read in China, and a book that will have trouble finding a corporate sponsor here: "In the beginning was the word and the word was with God, and the word was God."

Robert Thomson in Peking reports on China's largest advertising conference - an event filled with compliments for Western marketing success stories such as Coca-Cola and McDonalds and punctuated with optimism that China has begun to play by the rules of the industry. Chinese officials used the occasion to assure foreigners that the "open door" policy would remain in place despite turbulence within the Communist Party in recent months.

recent months in the Communist

While Chinese speakers such as cy, after delegates were shown a se- Mr Jin Guiqi, chief of the state adlection of BBC clips - including a ministration of industry and comfew of the British Royal Family - merce's advertising department, nawith the intention of proving that turally focused on the state's interthe network has something for evests and China's "four modernisations," foreign speakers were prod-

ready know all about "global brand-

asked whether global branding unThe get-together was brought to a
dermined the idiosyncracies of difclose with awards to Chinese adver-The get-together was brought to a ferent nationalities - the Chinese tisements for work boots and Mao are very sensitive about "Westerni- Tai, the fiery grain spirit. And there sation" and so are in the midst of a was a speech from Mr Humayun campaign against "bourgeois lib- Gauhar, the publisher of South magazine, which sponsored the con-

in a country of one billion tea drink- toward the end of his address. He ers. As for sponsorship, the Chinese explained that communication was were told by a BBC representative at the heart of advertising, and if that with the "new economic reali- you can't communicate you can't adty, sponsorship is "an idea whose vertise: "And the heart of communitime has come." cation is what the great religions

He finished off the congress with conference, which ended on Satura quote from a book not widely read

FINANCIAL TIMES

CREWE & NANTWICH MONDAY JULY 20 1987 For full details contact: BRIAN MERON on 061-834 9381 FINANCIAL TIMES EUROPES BUSINESS NEWSPAPER

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# White House halts new deals with Toshiba

BY DAVID BUCHAN IN WASHINGTON

Bryen, head of the department's being allowed to bid.

The move is the minimum expected action by Washington paris-based co-ordinating comagainst Toshiba, given consider mittee which bars the sale of able Congressional anger over the sale of sophisticated milling technology to the Soviet Inion machines allowing Moscow to and its allies.

At a hearing last week, more than three independently several senators called for a operating, numerically contemporary ban on all Toshiba's high volume electronics sales in to the US.

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THE US Defence Department For the time being, the has temporarily stopped doing any new bisiness with Toshiba such widespread action while because of the involvement of 1983-84 Toshiba machine sales a subsidiary of the Japanese to the Soviet Union are still company in selling sensitive being investigated by the naval technology to the Soviet Japanese authorities.

naval technology to the Soviet Japanese authorities.
Union. But the Pentagon action
The Pentagon's suspension of alone may have lost Toshiba
new dealings with Toshiba a \$100m contract to supply the
started in April and will last US Air Force with some 90,000
until there is "a satisfactory mini-computers. Competition
resolution of this entire for the contract has recently
matter", according to Dr Steve been reopened without Toshiba
Bryen, head of the department's being allowed to bid.
Lanan is a member, along

# Philippine agro loans hit by land proposals

banks have temporarily stopped making agricultural loans because they are uncertain how their collateral will be affected by a proposed new land reform that President Corazon Aquino says she will approve shortly.

The temporary freeze is hitting none more than the sugar planters, who will eventually be the target of the programme to redistribute land to landless farm workers. It has also started to restrict credit to the rapidly expanding prawn industry which the Government holds up as an example of a sector into which sugar planters should be diversify-

The temporary credit freeze was imposed by most banks in early June. It comes amid an intense debate over whether sugar and coconut lands should be covered in the land reform programme.

Mrs Aguino has promised to approve a land reform programme by decree before she loses her power to legislate by fiat to a newly elected Congress on July 27. However, the top level cabinet committee that is looking exclusively at land re-form has not agreed what lands it should cover or how to finance it.

MANY of the Philippine's largest where a monocrop culture based on sugar has grown up. In 1986 the Philippines exported over \$103m of prawns, mainly to Japan, up from \$63m the previous year.

exported \$87m of sugar, down from \$169m in 1985. However, entire communities and, in the case of Negros, almost an entire island, re-

main dependent on sugar for jobs. The bank freeze is effectively limiting loans to farmers who can offer as collateral assets other than land. It could further reduce sugar yields during the growing season because farmers will be forced to cut back

Early drafts of the land reform programme suggested all farm land would be split, leaving landlords with a maximum of seven hectares. Recent discussions suggest some exclusions might be made for sugar and coconut estates and for agribusiness ventures, in order to find ways to redistribute land without harming productivity.

Uncertainty - and therefore a credit freeze - could well continue beyond Mrs Aquino's decree next month. Some observers believe her decree will only signal general directions to the new Congress on the form of the sugar and coconut land ing rapidly, especially in Negros to decide the details.



#### **Dubai** aids restoration of Sharjah ruler

siderable concern to the West-ern powers as well as to neighbouring states and emirates, was successfully averted by constitutional means and with-out bloodshed.

Dubai's prompt action in supporting the legitimate ruler. Sheikh Sultan, within hours of the announcement that he had resigned, was the turning point in the crisis. But it was a further 24 hours before Abu Dhabi was fully convinced of

It was only after three days of consultations that full unanimity was achieved and Sheikh Abdul Aziz persuaded to accept

According to those close to the action, Shelkh Hamdan bin Rashid al Maktoum of Dubai, Minister of Finance, and son of Dubai's ruler Sheikh Rashid, was largely instrumental in bringing the parties together and in keeping matters cool they threatened to escalate.

63m the previous year. crisis, coming as it did, after By contrast, last year the country consultation between all the effect. It demonstrates the co

and Sharjah may take some time to not back on their for-mer footing, while those be-tween Abu Dhabi and Dubai are unlikely to become warmer as a result of the past week's events.

#### Hizbollah accused of Glass kidnapping

Lebanese Defence Minister, yes-terday accused the pro-Iranian Hizbollah militia of having kidhapped last week his son and Mr Charles Glass, a US journalist, Reuter reports from

to the abductions.

Mr Glass was the first foreigner to be kidnapped since more than 7,000 Syrian troops were sent into west Beirut four months ago to restore order. Twenty-nine foreigners are missing, believed kidnapped, in

By Angela Dickson in Abu Dhabi IN THE early hours of yester-day morning United Arab Emirates television and radio fashed an announcement that the constitutional crisis sur-rounding the rule of Sharjah had been resolved. Sheikh Sultan bin Mohammed

al Qassimi is to be reinstated as ruler, and his brother, Sheikh Abdul Aziz bin Mohammed al Quassimi, who seized power last Wednesday, is to be made Crown Prince.

The affair, which caused con-

the compromise.

In the context of the tense situation in the Gulf, the quick and non-violent resolution of the mirates, has had a stabilising

after 16 years of existence. But there may be other effects of the incident within the UAE.
"The fall-out will be considerable," said one Gulf watcher. Abu Dhabi could find iteself open to criticism for what may have appeared a flacid and be-

lated response to the crisis. Relations between Abu Dhabi

MR ADEL OSSEIRAN, the

"They are with Hizbollah. It was confirmed," he said at his family mansion 20 miles south Hizbollah has denied any link

Lebanon

Mr Osseiran said there would be "surprise" developments soon concerning all the foreign hostages. He did not elaborate.

### Maggie Ford in Seoul reports on strong American hopes for a swing towards democracy

# US Pacific strategy at stake in South Korea

AS South Korea's politicians South Korea as a vital part of

The picture was unclear. Mr James Lilley, the US Ambassa-dor to Seoul, delivered a letter to President Chun Doo Hwan on Friday from President Ronald Reagan, in which the US leader reportedly urged restraint in dealing with the unrest. A two-hour discussion followed.

transition in a country from one kind of government to a more democratic government is extremely tricky," he said. Citing Iran and Nicaragua as cases where it had not worked, he said the US paid a heavy penalty, and therefore had a big stake in seeing the movement to democracy proceed.

The stakes for the US on the Korean peninsula are indeed high. Since the end of the Korean War in 1953, 40,000 US troops have remained in the country to protect it against the threat from the communist

inched their way at lowards a its Pacific defence strategy, solution to the crisis brought which includes Japan, Taiwan, on by massive demonstrations, the Philippines and Australia in newspaper readers were an anti-Soviet informal alliance. newspaper readers were an anti-Soviet informal alliance. anxiously searching yesterday for clues to the US attitude. A nuclear missiles in South Korea counter those in the Soviet Far East and, until Japan can be persuaded to engage in a higher defensive posture, the US regards South Korea as a key component of its strategy.

That strategy presupposes stability on the peninsula, a stability which some analysts view as being threatened not only by civil unrest but by a Mr George Shultz, ending a transition to what they see as visit to the Philippines, urged the resumption of dialogue. "This problem of managing between US interests and the will of the South Korean people could take place.

Ever since President Chun Doo Hwan took power in a military coup in 1979, South Koreans have suspected that although the Reagan Administration says it supports demo-cratic change, it actually prefers a strongman to be in charge who can guarantee loyalty to US security interests.

Although US officials deny any such policy, anti-American-ism, especially among the educated middle class and students,



Reh Tae Woo: sounding a warning note

trade issues and the Administration's inability or unwillingness to check it. Even Mr Roh Tae Woo, the former general and hand-picked successor to President Chun struck a warning note at the ruling party's national convention last week. The opposition should join with the ruling party to cope with the self-seeking rivalry among the big powers over the future of Korea and with the increasingly vicious trade war," he said. Mr Rob was at that time

Chun and his election as the party's presidential candidate at the convention sparked off the present unrest. People protested against a further seven years of military-backed rule. Since then Mr Roh has attempted to distance himself from President Chun and to show the people that he is in favour of genuine democracy. favour of genuine democracy. Although he has some way to

go, observers believe he has had some success. Should democracy come about in South Korea, whether through the ruling party or the opposition, the Americans would probably face a more nationalistic stance on trade, a virtual ban on interference in domestic politics (which the US denies doing) and a probable increase in efforts towards unification of the peninsula which might change the status

Against that, a democratic Against that, a democratic triumph in Korea would be a feather in the cap of this, or any future, Administration. Clear support for genuine democratic change by Washington would also go a long way towards dispelling the growing anti-American feelings in South Korea.

The strong commitment to

then Western diplomats believe that Washington would be well advised to intensify efforts to promote genuine democratic change. South Korean opposition leaders, academics, newspaper editorial writers and even some ruling party officials have all said that more repres-sion will be strongly resisted by the people.

Some even go so far as to predict that if martial law were imposed sections of the military and police might join the people in their protest.

Further violence would also endanger the holding of the 1988 Olympic Games in Seoul, described by President Chun as one of the nation's great tasks for 1988. The Soviet Union and West Germany added their voices at the weekend to concern expressed over the violence affecting the Games. Los Angeles has already offered to

orth. has grown as a result, exacer- Mr Roh was at that time anti-Communism by South take over the job if Seoul In addition, US views bated by Congress' harsh line on seen as the puppet of President Koreans is not in question and proves unable to go ahead.

### Ruling party wins in Bahamian election

BY ATHENA DAMIANOS IN NASSAU

beat off the biggest challenge for 20 years, winning the general election at the weekend by a wide margin, despite opposi-

Perry Christie, former ministers who were fired after they had pected a closer race.

THE RULING Progressive confronted Sir Lynden Pindling, Liberal Party in the Bahamas the Prime Minister, over allega-beat off the biggest challenge tions of high-level corruption,

tion charges of complicity in have been linked to drug the drugs trade. In unofficial returns, the PLP won 31 seats in the House of Assembly, the opposition 16.

Mr Hubert Ingraham and Mr large majorities. Political analysts had

On Andros one of the Caribbean country's 700 islands, a riot erupted over alleged cheating at the polls. The presiding officer, Mr Carl

Spencer, was beaten up by people who believed he had conducted affairs irregularly on behalf of a PLP candidate. The opposition FNM candidate was also beaten up. Hundreds of people stormed

the polling station, cars were Government sources said the The situation has been overturned and rocks thrown. guerrillas had attacked the deteriorating since August 1984,

#### **Kurds kill 30 in Turkey**

Turkey, Kurdish separatist guerrillas, believed to belong to the PKK (Workers' Party of Kurdistan) murdered 30 people, including 16 children, in an armed raid on the village of Pinarcik, near Mardin, and close to the Turkish-Syrian border, on Saturday.

Government sources said the

IN THE latest of a steady village's 16 houses with auto-spate of armed attacks on matic weapons and hand civilian targets in eastern grenades.

Among those killed was the headman, Mr Cetin Yavuz, and three guards intended to pro tect the community against this

kind of attack.

Turkey clearly has a grave security problem in its south-eastern provinces, bordering Iran, Iraq and Syria.
The situation has

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At Taunusstein, Germany, where we produce pagers, two-way radios and base stations, customers submitting product performance review cards reported a satisfaction rate of 99.74%.

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high level of quality improved by a factor of ten during the last four years! And, we now have customers who register zero defects at their incoming inspection. We are proud of the progress we have made in terms of programmes, equipment and methods, but, after all, it is the people of Motorola who make them work. No quality control programme can ever succeed without a genuine

people who make that product. But perhaps the ultimate answer to the question posed at the start is this: It is not only possible, but with today's level of worldwide competition,

appreciation of the importance of high quality goods in the marketplace, by the

it is also imperative. Motorola is one of the world's largest electronics companies. We do business on five continents. And wherever we are, we all share a deep dedication to the service of our customers in voice and data communications, computers, semiconductors and components for defence, aerospace, automotive and industrial electronics.



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Announcements

**AUSTRALIAN** GENERAL ELECTION Sat July 11th LIBERAL PARTY OF AUSTRALIA LONDON GROUP A Pre-Election Party will be held on Tuesday 23rd June Will all those interested in returning a Liberal Government Diana MacKenzie-Charrington on 01-736 4986

BUSINESS IN THE COMMUNITY The Financial Times is proposing publishing this

WEDNESDAY JULY 15 1987 For full details contact: ANDREW WOOD on 01-248 5116 FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

By Robin Pauley, Asia Editor, in Wellington DR TIMOCI BAVADRA, the deposed Prime Minister of Fill, will todaly ask Mr David Lange, Prime Minister of New Zesland, for help in the campaign for the return of democracy to

on Friday June 20th 1987.
Objects of the meeting;—
Matters to be reportant:— Business report and income statement for the Soft-Fiscal Year from April 1st 1986 to March 31st 1987, and Balance Sheet as of March 31st, 1987.

Matters to be resolved on:—
(1) Proposal for appropriation of retained earnings of the 50th Fiscal Year.

intering demnings of the sum resear Year.
Modification of the Articles of Incorporation for stipules that a Vice Charman of the Board of Directors can be assigned in order to strengthen the Management capatifity.

Proposal for Section of 25 Directors.
Proposal for Section of 3 Statutory Authors.

summery Auction.

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Copies in English of the full text of the Notice convening the Meeting if required, are available during normal business hours at the offices, of any of the above mentioned Senies.

HELL SAMLEL & CO. LTD. 45 Beach Street LONDON EC2P 21X

the South Pacific island state. Mr Lange has said New Zea-land would do whatever asked to restore democratic rule in Fiji, although it has become increasingly unclear what he means. He has already ruled out **OMRON TATEISI** military intervention. **ELECTRONICS CO.** Crowds gathered in Auckland Wellington to welcome Dr (Tatelsi Denid Kebushiki Kaisha) Advice has been received from Telego that the Effect Annual Meeting of Shareholders will be held at the Company located at 10, Tauchtlo-Cho, Hanazon, Ulyo-Ku, Khoo at 9.00 a.m. on Friday June 20th 1987.

and wellington to welcome by Bavadra yesterday, some carry-ing placards saying "CIA coup Instantly Arranged," referring to Dr Bavadra's claim that the US Central Intelligence Agency was involved in the bloodless military coup which overthrew his one-month-old Government on May 14.

Bavadra

help from

to seek

Lange

Dr Bavadra arrived from Washington where he urged that a US Congressional committee of inquiry be set up to examine the coup.

He has dropped Australia from his schedule because Mr Bob Hawke, the Prime Minister, has declined to meet him during the present general election

He has also been in London where the Queen refused to meet him on the advice of her Governor-General in Fiji, Ratu

Meanwhile, the economic crisis in Fiji is worsening. Ratu Ganilau, who has assumed executive authority under the state of emeregency, has ordered the country's sugarcane farmers to cut can today and announced factories will start cane-crushing tomorrow.

deteriorate if left uncut

# Peking minister holds talks in HK

foreign minister, made a first visit to Hong Kong by a Chinese minister at the week-

The visit coincides with a resurgence of tension between China and Britain over the pace and direction of political reform in the territory, following a clear attack on the idea of direct elections by Li Hou, one of china's most senior officials dealing with Hong Kong affairs.
Such a stop-over would have been unthinkable for Peking even two years ago. Chinese officials had always insisted that talks on Hong Kong to he that talks on Hong Kong take place in the Chinese capital. Even now, they do not formally acknowledge the lease by which Britain has the territory as

colony.

China watchers suggested the decision by Wu Xueqian to stop for talks in the British territory was a measure of how much more relaxed Peking has

XUEQIAN, Chinese become about Hong Kong since minister, made a first the Sino-British declaration on the return of the territory to Chinese sovereignty was signed

end. He met the territory's new governor, Sir David Wilson, for informal talks during an unexpected two-hour stop-over. The Chinese border, were made some weeks ago, but have been kept quiet.

The Hong Kong Government issued a terse statement after the 90-minute meeting, to say the Chinese minister had a "courtesy meeting" with the governor. A senior Chinese official suggested that recent political tensions had not been

This was thought implausible by most observers, though it is likely that the talks were not on details.



We Xueqian: Historic visit

so, its opposition to such elec-tions. Some have suggested that Peking objects to direct elec-Peking objects to direct elections at any time, in any form, but others say it is simply a matter of timing—with mainland officials wanting to offer direct elections as one of their "gifts" to the Hong Kong people when they unveil in 1990 the basic law that will lay out Hong Kong's post-1997 constitution.

Li Hou's comments-quoted in Outlook, a weekly publica-tion linked to the New China News Agency—not only re-iterate China's opposition to direct elections next year, but break new ground by suggest-ing that the Hong Kong ad-ministration is contravening the joint declaration by even considering them.

Controversy arose last week over a statement by Li Hou, deputy head of the Hong Kong and Macao affairs office in Peking, that direct elections to the territory's legislative countil in 1988 would be in breach of the 1984 joint declaration.

The Hong Kong government

We Xueqian: Historic visit to governor

wu Xueqian has met Sir Geoffrey Howe, the British summer-long debate on future political reforms. A proposal cent months to discuss differences between Britain and China over direct elections—first in Switzerland in March, and then in Talland in April.

#### Citicorp's S African staff attack divestment

By Jim Jones in Johannesburg CITICORP'S handling of the R130m (£23.43m) sale of its South African interests to First National Bank (formerly Barclays) has been sharply criticised by the bank's local staff.
They say it rides roughshod over commitments in the Sullivan Code, in the US, on American investment in South Africa, and that the terms of the sale are tantamount to indenture of local staff.

Sixty of Citcorp's 185 South African employees have signed a memorandum to express reservations over the handling of the sale and are considering legal action against the bank.

Mr Lionel Grewan, a senior executive of Citibank in Johannesburg, who has for several years been responsible for monitoring the black labour practices of Sullivan Code signatory companies, is particularly concerned that Citicorp did not discuss the sale with its South African staff.

Mr Grewan is also perturbed

by Citicorp's undertaking to First National that it will not recruit South African em-ployees for at least fipe years. ployees for at least fipe years.
"The whole thing is greed on their part." They wanted to get out at any cost, even if they had to screw 185 people to do it." he adds, saying that the South African staff have lost the opportunity of international mobility that had attracted them to Citicorp.

First National has said the premium is payment for the

premium is payment for the skills of Citicorp's local staff and has promised Rs1m to be shared among employees who remain with the bank for three

years. In Johannesburg, the weekly Financial Mail suggests that Citicorp's withdrawal from South Africa will allow the American parent to resume loans to the South African government and parasistals through what the newspaper cells the "covert conduit" of

First National.

AP reports from Harare: A political row erupted in Zim-babwe yesterday with the outlawing of opposition party meetings. Mr Enos Nkala, the Home Affairs Minister, banned all public gatherings by Mr Joshua Nkomo's Zapu after a wave of violence by armed rebels in the Matabeleland pro-vince of western Zimbabwe, Zapu's traditional stronghold.

# Africa seeks road to recovery

AFRICAN COUNTRIES should restructuring of Africa's agricultural policies to promote incontinue to pursue structural economic reforms, while pressing the international community for more flexibility on debt repayments and seeking to expand the intra-African and international market for their international market for their products, delegates said at the UN Economic Commission for Africa conference on Economic

It attracted more than 200

policy-making powers, its re-commendations are to be for-

Recovery in Africa. The five-day conference, which ended last Friday, was held at Nigeria's new capital, Abuja. It was aimed at reviewing progress on the implemen-

tation on the UN Programme of Action for African Recovery and Development from 1986 to African and international ex-perts, government officials and So far, the farmers have refused to harvest the sugar in protest against the coup. The cane is now in flower which means its condition can only policy makers from 36 countries, as well as representa-tives from the UN, the IMF, the World Bank and non-governmental organisations.
While the conference had no

Fiji earns about half its foreign exchange from sugar. The harvest would anyway have been poor this year because of drought. Even if cutting begins today, the harvest is now likely to be 40.

creased food production, the build-up of agriculturally based industries, the reversal of the effects of drought and descrification, and wide-ranging reforms of the region's educational and occupational training provision

These objectives were to be underpinned by an inter-nationally supported pro-gramme of market-oriented economic reforms, Some 28 African countries have embarked on substantial structural economic reform, the

Commission said.

The cost of the UN programme was estimated last
June to be \$128.1bn, of which African countries are expected to raise \$82.5bn. The international community would be asked to contribute the remaining \$45.6bn. While the UN special session endorses the recovery programme, specific commitments OR international assistance were made. The Commission is

drought. Even if cutting begins today, the harvest is now likely to be 40 per cent down on last year.

With the other source of foreign exchange, tourist revenues, drying up since the coup, the country faces a long haul out of economic crisis.

Commendations are to be formanded. The Commission is warded to the Organisation of working in co-operation with the World Bank Abaha in Angust and the scheduled special session on Africa at the UN assembly in under the programme, but analysts at Abuja said intervenues, drying up since the country faces a long haul out of economic crisis.

Patrick Smith, in Lagos, assesses moves towards economic reform

across a continent

The executive secretary of the Commission, Mr Adebayo Adedeji, said that conditions in Africa had worsened consideraltroa had worsened considerably over the past year. Africa's earings from commodity exports in 1986 had fallen by \$19bn compared with their level in 1985, Mr Adedeji said, while the cost of the region's imported manufactures rose by an average of 14 per cent.

an average of 14 per cent. Despite continuing debt rescheduling negotiations, the region's debt servicing commitment would total between \$12bn to \$14bn, he said. If these economic trends continued the level of international financing required for the UN programme could almost double to \$90bn,

Mr Adedeji warned. The shortfall of international support for Africa's economic reform programmes was a key issue at the Abuja conference, with African delegates calling for the reduction of interest

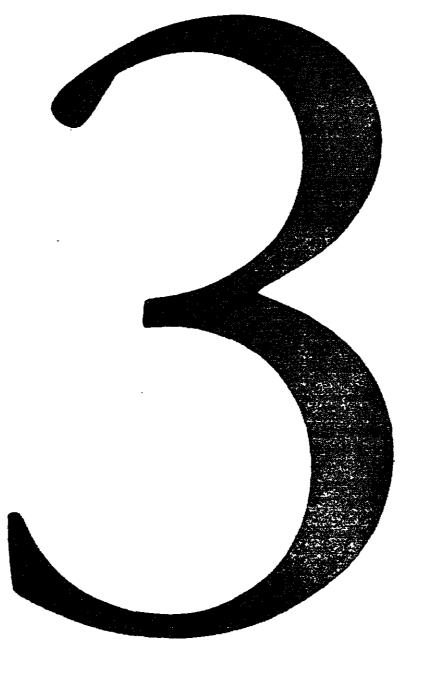
with longer repayment periods, the negotiation of more foreign debt to local equity conversions, and the payment of African debts in local currencles. Mr Mansour Khalid, the vice-

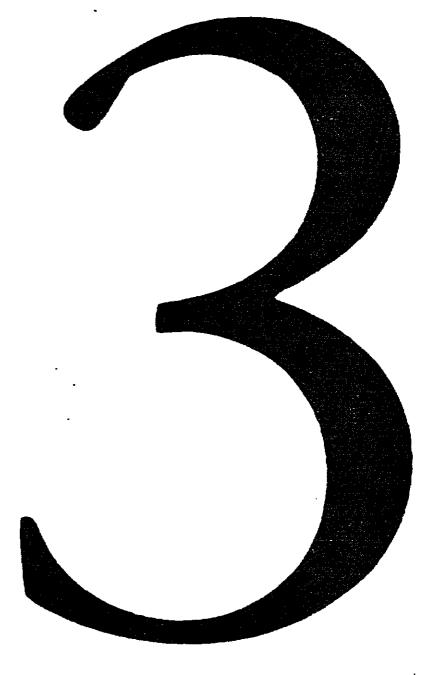
chairman of the UN's World Commission on Environment and Development and former Foreign Minister of Sudan, was sharply critical of the IMF's and World Bank's role in Africa. "The Fund and the bank's reform programmes cannot work without a total re-negotiation of economic and political relations between the north and the south," he said. He warned: "There is little evidence to show that the IMF and World Bank intervention in Africa over the past 20 years has proved successful."

Although there was less criticism of the IMF and the World Bank by other delegates than observers had expected, many African delegates expressed support for Zambian President Kenneth Kaunda's decision to break with the IMF and implement an independent reform

strategy.
Underlying the conference's deliberations was the pressure on Africa to diversify its export production and trade relations in the face of declining foreign







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#### **OVERSEAS NEWS**

# Tanaka faction faces threat of breakaway

ONE of Japan's most powerful political institutions, the Tanaka faction of the ruling Liberal Democratic Party (LDP), is in danger of splitting up because of infighting over who its candidate should be to replace Mr Yasuhiro Nakasone as Prime Minister in October.

The faction, named for the disgraced former Prime Minisfer, Mr Kakuei Tanaka, is by far the biggest in the parlia-mentary party, with 141 of its 446 members and has exerted enormous intercee on government since its formation in the

Tanaka faction members are now saying, though, that they expect one of their colleagues, Mr Noboru Takeshita, LDP Secretary-General, to form his own faction before announcing bis candidacy as party president (and thus Prime Minister) next month. Mr Takeshita hinted as much again at the weekend. He could take more than 100 members of the Tanaka faction with him.

Although the LDP's factions are not idealered.

THE REAL PROPERTY OF THE PROPE

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A Tree Research of Control of Con

are not ideological and concern themselves chiefly with populating government with their members, the Tanaka faction does represent the rump of Tamany Hall-style politics that dominated government here in

Mr Takeshita, a quintess tial party politician with little popular appeal in the country, has been brought to the point of breakaway by the refusal of the faction's chairman, Mr Susumu Nikaido, to withdraw the premature candidacy he de-

clared in May.

Mr Nikaido accuses Mr
Takeshita of being too slow on his feet. He has the support of Mr Tanaka, a man partially paralysed by a stroke he suffered while on trial for corruption during the Lockheed bribery scandal 10 years ago. Mr Takeshita's reckoning, given that he has failed to persuade Mr Nikaido to give up, would be that an intra-factional fight to become its candidate would be messy and damaging to his chances. He plans to campaign as a con-

sensus builder.

If he does go ahead and form



Mr Kakuei Tanaka

draw with him about 30 neutrals in the Tanaka group - he has around 95 firm supporters but nearly 120 faction members attended a recent fund-raising dinner for him — leaving Mr Tanaka's old empire withered and dying. Mr Nikaido is thought at the moment to have little chance of becoming Prime

Mr Takeshita's own chances becoming party leader even if he forms his own faction would, however, seem to remain highly elastic. A split among the factions might make it more difficult to elect a party presi-

Although the Tanaka faction leader for 13 years, it has served as ballast, through sheer weight of numbers, for the other four, smaller, factions.

Mr Takeshita needs 224 votes to become party leader and as an independent faction leader may have to link up with two or even three other groups.

That means he would have to be even more generous than most Japanese prime ministers in promising political rewards to the people who back him. Mr Takeshita, 63 and twice Minister of Finance, is likely to wait until after an extraordinary Diet session, starting on July 8, before making any final moves. So will his other rivals, the present Finance Minister, Mr Kiichi Miyazawa and the former Foreign Minis-ter, Mr Shintaro Abe, who head

#### Opec 'likely to endorse price strategy'

By Patrick Smith in Lagor

THE OPEC ministerial meeting scheduled to open in Vienna on June 26 is likely to endorse the continuation of existing price and production strategy which went into operation on February 1 this year, Mr Rilwanu Lukman, Opec's chairman and Nigeria's Minister of Petroleum Recourage sold in Lange. Resources, said in Lagos.

"We have an agreement that has worked well for six months and is valid for the rest of the year, so we will seek to build on the gains we have made so far,"
Mr Lukman said.

Under the terms of the existing agreement, Opec had to maintain a total production ceiling of 15.8m barrels a day for the first two quarters of this year, which would be raised to 16.6m b/d in the third quarter and 18.3m b/d in the fourth. Mr Lukman said Opec mem-

bers had generally abided by the terms of the agreement and were producing at their maximum allowed quota. He did not expect non-Opec producers to step up production if Opec agrees to implement a margin-ally higher production ceiling.

" After all, it is still Opec that is restraining production—many of our members are still producing at only 50 per cent of their capacity."

Several Opec members, including Nigeria, are likely to press for a revision of the differentials between the official selling prices of Opec crudes.

Nigerian analysts argued that the market price of \$18.92 for its Bonny Light oil puts it at a marketing disadvantage in relation to other Opec crudes.

"We are looking for some sort of adjustment in the system of differentials," Mr Lukman said. "Bonny Light is a marker crude and some of the factors relating to it have changed since the current agreement was formulated."

While acknowledging that the recent depreciation of the dollar supported the case for an increase in Opec's official selling prices, Mr Lukman said the dollar's decline had also helped sales by making oil more competitively priced in

### Hugh Carnegy looks at policy shifts after the Hyster collapse and Goodman ballyhoo Ireland rides the industrial roller-coaster

IN THE space of a week this month, Ireland's Industrial Development Authority rode a roller-coaster from the gloom of society the collapse of a prestige foreign investment to the heady optimism of a huge homegrown project to transform the country's meat industry.

Along the humpy way it was a policy and creating 1,100 new jobs. A weighty political heave was applied and the IDA agreed to contribute a cool 1530m to the project.

The ballyhoo surrounding the Goodman deal was in sharp contrast to the collapse the pre-Along the bumpy way, it was possible to see some pointers to possible to see some pointers to a shift in industrial policy which the Fianna Fail Govern-ment of Mr Charles Haughey, the Prime Minister, would like

to bring about. That shift does not entail the abandonment of the IDA's quest for inward investment—a quest which despite some pain-ful failures has over the years manufacturing industry in

But it does mean, in the words of Mr Albert Reynolds, the Minister for Industry and Commerce, laying emphasis on dev emphasis indigenous industry based on value-added use of natural resources, not least because foreign companies continue to source about three-quarters of their raw materials outside

Ireland.

Hence the Government's enthusiasm for the 1£260m discussions with the IDA on scheme announced by Goodman its overall policy, does not think International, a highly successful private, Irish meat processing and exporting company, to upgrade dramatically its pro-

desing capability.

It could not have fitted
Fianna Fail's bill better; heavy local industry by a local com-

trast to the collapse the pre-vious week. With the loss of more than 220 jobs, of the Dublin plant operated by Hyster Corporation, the US lift truck

Launched amid its own ballyhoo five years ago, ironically by Mr Reynolds in a previous Fianna Fail Government, the Hyster project was considered at the time to be a flagship of the type of strategic foreign investment Ireland needed to attract.

What made it so significant. enticing the IDA to back it with I£15m in grants and I£6m more in buildings, was Hyster's plan to design, develop, manufacture and market a new generation of automated handling devices in Ireland. It was much more than a straight assembly operation and supposedly involved a deep commitment to the host

Mr Reynolds, who has opened its overall policy, does not think that the underlying IDA strategy of going for quality inward investment involving product development as well as manufacturing is wrong. "The strategy should not be thrown out of the window because Hyster collapsed," he says.



Mr Charles Haughey

investments always carry the risk that the product involved will fail. What he wants to avoid - as does the IDA - is what he calls "A Dutch auction" with other development Agencies bidding against each other for a project and forcing up the price. "We may lose projects, but we have to be very selective," he says.

The IDA has been in the business long enough to know the risks well enough. It has recently introduced much tigher conditions attached to its grants which it says means that the type of deal done with Hyster could not be done now. All contracts have to be

ut of the window because guaranteed by parent com-lyster collapsed," he says. panies ensuring stricter en-He accepts also that such forcement of clawback clauses



in the event of collapse, and grant payments are now conditional on performance targets being met.

The authority is also in agreement with Mr Reynolds in putting heavy emphasis on aiding existing companies to deepen their operations in Ireland, rather than just going after new companies. This has been done with a range of names such as Analog Devices, Krupps, and the computer companies DEC, Wang and Apple.

As far as stimulating domestic industry is concerned. IDA officials say the difficulty often is finding sufficient sound businesses to put money into. At a year on foreign projects, IE35m on indigenous industry

ness.
One of the problems is the need for Irish companies to establish export markets at a relatively early stage of their development because of the limited size of the home markets. ket. Businessmen also com-plain of the confusing variety of sometimes overlapping state agencies bidding to help them, ranging from the IDA and other local development boards, through the export board to several training organ-

Mr Reynolds intends streamlining these with particular em-phasis on correcting what he says are weaknesses in marketing. In one move to stimulate export marketing, legislation has been tabled to extend the 10 per cent corporation tax con-

cession for manufacturing in-dustry to export trading houses. Whatever changes come about, however, heavy state aid for industry will continue to be available. This has prompted the Dublin Stock Exchange to say that the level of state suc-cour weakens the incentive of companies to look to the under-supplied local market to raise funds, thus saving the taxpayer.

Goodman is a case in point. Asked if he considered raising the money required for his project through the stock market, Mr Larry Goodman, the owner of the company, flanked by the Prime Minister and the chief executive of the IDA, replied the money was readily avail-

#### SHIPPING REPORT

# Iraq warning hits tanker hopes

BY HAZEL DUFFY

nomic installations were to be expected and reports that a again dominate activity in the area, and among the marine underwriters for Gulf war risk.

The news came after publication of its May report by ship-ping brokers Galbraith's which described the tanker market last month as "the best and most progressive chartering month so far this year." Demand, particularly buoyant

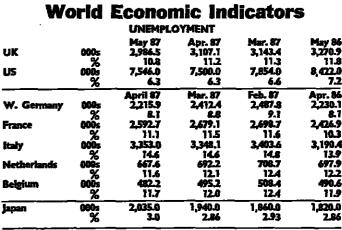
IRAQ'S warning to Iran over out of Iranian ports, created a rates should increase during the weekend that destructive surge in freight rates, with raids on Iranian oil and eco- Arabian Gulf to the Red Sea gradually climbing into the middle Worldscale 40s for for tanker, possibly berthed at 250-000-tonne tankers, and Kharg Island, was hit in the 300,000-tonne tankers obtaining attack on Saturday, will once rates very close.

Rates for clean vessels in the Gulf went to Worldscale 130 for Japan discharge. Rates were also affected by Japanese seamen being unwilling to go north of Iran's Al-Farisiyah Island so that owners willing to load from Kuwait automatically expect a premium rate.

the summer months. It was up to owners at least to maintain present levels. The market's reaction to the anticipated and 16 per cent increase in Worldawaited with interest.

> For dry cargo space, weaker summer markets have seen rates fall. Brokers Denholm Coates report levels particularly affected on the Atlantic. Activity from the Soviet Union is reported as minimal,

but forward sales of grain imply that business will be coming The report concluded that from this part of the world.



Source (except US, UK, Japan): Eurostat

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# **Privatization of** Compagnie Générale d'Électricité C.G.E. shares on Paris Bourse

Trading in C.G.E. shares on the Paris Stock Exchange resumed on June 3, 1987.

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> Compagnie Générale d'Électricité 54, rue La Boétie **75382 PARIS CEDEX 08** Tel.: (1) 45.63,14.14

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MANAGEMENT REVIEW

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In accordance with Clause 16 of the Deposit Agreement dated 17th September 1987; Hambros Bank Limited bereby gives notice or the commendation of the 70th ORDINARY GENERAL MEETING OF SHAREHOLDERS of Taisho Marting and Five Insurance Company Limited.

Company Limited.
The particulars are as follows:
1. Date and time: 10.00 a.m. on 26th June 1987 (Priday).
2. Placet in the Contemporare Room on the Erst those of the Head Office of the Company Joseph at S. Kandazerugade: 5-Chome, Chiyoda, Purpose of the Company Located at 9, Purpose of the Company Located at 19, Purpose of the 19, Purpose of the Located at 19, Purpose of the 19

K.V., Tokyo,

I. Purposes of the meeding:
Matters to be reported—

Business Report. Balance Sheet and
Profit and Loss Account for the
70th business year (from 1st April
1986 to 51st March 1987).

Matters to be resolved—

First Resolved—

HAMBROS BANK LIMITED

41 SHADDGATE. London EC2P 2AA. 22nd John 1987.

 Management and organisation reviews Human resources management systems Network planning
 Financial and economic appraisal

Expressions of interest should be received by telex, facsimile or letter at the following address no later than June 30, 1987.

The Secretary, Post and Telecommunication Corporation, P.O. Box 1349, Boroko, Papua New Guinea. Telex: NE22372 Facelaille: 21 7185.

#### KENANA SUGAR COMPANY LIMITED PREQUALIFICATION FOR PORT SUBAN SUGAR WAREHOUSE

Kenana Sugar Company Limited operates one of the largest sugar estates at Sufeiya, near Rabak, 250 km south of capital Khartoum, and about 1,200 km from the sea port Port Sudan.

Kenana wishes to ascertain whether you would be interested in tendering for the above project. Tenders will be invited from a list of selected contractors. The project is to be financed by the Saudi Fund for Development and the list of prequalified contractors is subject to their approval. The eventual form of contract and payment conditions will also reflect their normal requirements.

The project will consist of the construction, in Port Sudan, of a sugar warehouse of approximately 12,000 square metres in floor area. The warehouse will be of steel portal frames, 6m to eaves, either 40m clearspan or two 20m spans, clad in single-skin, colour-coated trapezoidal profile, steel sheeting. There will also be approximately 500m<sup>2</sup> of offices and ancillary buildings and 250m<sup>2</sup> of workshops and

Interested tenderers are requested to forward as soon as possible the prequalification documents, including a brief report on major construction works recently executed by them along with last annual financial report, to Kenana Sugar Company Limited, P.B. No. 2632, Khartoum, Democratic Republic of the Sudan, clearly marked for the attention of Mr. Abdullahi Abu El Gasim, so as to reach him not later than 25th July, 1987.

The information given above is tentative and will form no part of any eventual

#### Personal

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Art Galleries

#### Europe aims at high-flying future

By Michael Donne, Aerospace

SEVERAL Western European governments, including some outside as well as inside the EC, have signed two international pacts designed to liberalise some elements of European air trans-port, including the provision of cheaper fares and making it easier for airlines to increase their

In effect, however, these pacts, which have been under discussion for some time by the 22 countries represented in the Eu-ropean Civil Aviation Conference (a body of governmental air transport representatives), have already been overtaken by

events.

Many fares are already cheaper than those envisaged under the ECAC pacts while the new arrangements for market shares have also already been achieved in many countries.

The discussions involved all 22 members of the ECAC - Austria, members of the ECAC - Anstria, Belgium, Cyprus, Denmark, Finland, France, West Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Malta, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, UK and Yugoslavia. However, only some of these have signed each agreement and there are some significant abstainers.
For example, the two leaders

some significant abstainers.

For example, the two leaders in the European air transport liberalisation eampsign – the UK and the Netherlands – have so far signed neither pact, having already declared their belief that the provisions involved do not match the kind of liberalisation they have already achieved. they have already achieved through their own hilsteral ef-forts or are still trying to achieve. On the other hand, some noted

"hardliners" against more exten-sive liberalisation on the UK-Dutch pattern, such as the Scan-dinavian countries, Italy, France and Greece, have signed both the

ECAC agreements.

One of the new pacts establishes, for an experimental period of two years, the concept of "fares zones" on intra-European air routes, covering discount fares ranging from 65 per cent to 95 per cent of normal economy rates, and discount rates ranging from 45 to 65 per cent of normal economy rates.

# Ericsson expects big rise in BT exchange orders

munications company, is planning next year.

for a large increase in orders for its

This figure digitial telephone exchange from British Telecom.

This figure is much higher than that scale. any previous one mentioned publicly by Ericsson and would mean Thorn-Ericsson winning a substanits exchange, known as System Y, tial share of BT orders, since BT is which it makes jointly in the UK planning to order 2.3m-3m lines which the UK electronics next year.

unplanned excursions in new mar-

In this respect though, ethnic businesses were similar to small

owner-managed firms in the wider economy, according to the report.

Asian firms relied on family members for financial support, but

this was usually restricted to imme-

diate family members rather than

the wider family network as is com-

monly supposed, the report said. Afro-Caribbeans did not have this

family network but relied more on

business partners for finance.

kets when time allowed.

pacity of 750,000 lines a year.

However, Mr Jan Stenberg, Ericsson's vice-president for public son would not necessarily want to telecommunications, said in Stockholm that Ericsson was planning stock to the level of orders they might receive.

Expression might also have to inflore target if orders exchanges by stressed it orders exchanges by competitive tender, and it gives no guarantees to any supplier about the level of orders they might receive.

ERICSSON, the Swedish telecommunications company. Is planning next year.

In the street of the lines from BT for most certainly cause a row about imports of telephone exchanges on

It would also cause problems for

group.

Thorn-Ericsson is completing the each to BT.

Thorn-Ericsson has said up to now that it is hoping for 20 per cent expansion of its factory in Scuntry of BT orders in the short term.

Ericsson might also have to improve the pacity of 750,000 lines a specific series of the short term.

Ericsson might also have to improve the pacity of 750,000 lines a specific series of the short term.

### Ethnic businesses seen as too cautious

BY CHARLES BATCHELOR

A GROWING number of Britain's tion from much larger companies. Asian and Afro-Caribbean business owners should have nessmen have built up sizable businesses though few seem ready to move out of their own niche marketings in the atheric accordance in the atheric a kets in the ethnic community into ties, often making unsystematic, the mainstream market, according

to a new report.

Many ethnic minority businessmen have adopted a cautious approach to expanding their companies - growing slowly and borrowing only from family members and pariners - but this caution is now hindering further growth, the reserver

port says. It looks at 25 businesses - 19 run by people of Asian origin and six Afro-Caribbeans in what is claimed to be the first study of established minority businesses. Fifteen of the companies had turnover of more

than £1m a year while half of these had annual sales of more than £5m.

In the early stages of these businesses, their owners' knowledge of their customers' preferences and buying behaviour was an advantage in the ethnic markets they served, but as the companies grew, the eth-nic factor emerged as a disadvan-

tage.
None of the companies had clearly developed plans to expand into the broader market place and the marketing financial and organisanarketing, financial and organisational obstacles they faced in trying o do so were immense, the report aid.

They would face tougher competitions of their own community.

Growth Strategies in Minority Enterprise, Peter Wilson. Small Business Research Trust (105 pages, £15.55 inc p and p). tional obstacles they faced in trying to do so were immense, the report

#### **Post Office** service criticised

THE POST Office Users National Council, the statutory body representing users of the British postal service, attacks the Post Office's quality of service record in its annual report published today.

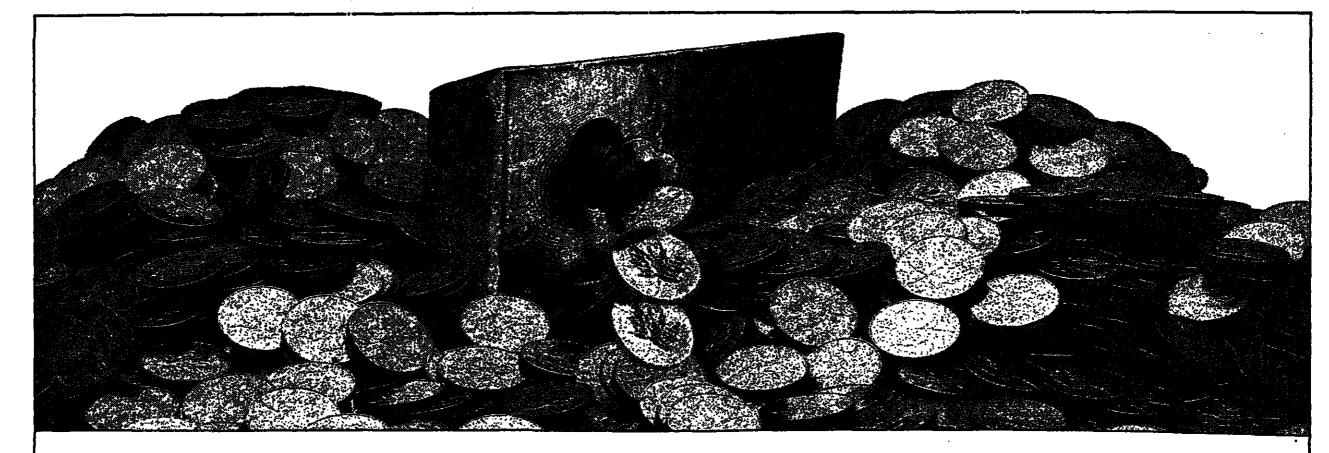
The Post Office has launched a series of initiatives to improve its service. It is spending £18m on these this year.

However, Mr Tom Corrigan, users' council chairman, reviewing the year to the end of March 1987, said: "Despite a number of welcome initiatives the Post Office target for first class mail of 90 per cent of letters delivered by next working day following posting is not being achieved."

The public sector played almost no role as a source of finance, and many firms had not heard of any of The report shows that the best the government programmes such as the Business Expansion Scheme quarterly performance in 1986-67 was July-September 1936, when or the Loan Guarantee Scheme. 89.5 per cent of first class letters reached their destination the next Asian firms differed from Afro-Caribbeans in that they were more likely to take on professional man-agers – in all cases white Britons with experience of the industry –

The worst was in January-March 1987 when the figure was 86.9 per though Afro-Caribbean businessmen were more likely to take professional advice from outside

The council adds that its own surveys show postal customers are receiving a poorer service than ap-pears from the Post Office's pub-lished figures.



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tance. This ensures that the buyer can trade the Gold Maple Leaf for cash on demand, without costly assay. Its price is directly related to the daily fixing of gold in London.

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#### **UK NEWS**

# Talks to open soon on water privatisations

A consultation document will be ublished in late summer or early numn, but because of the work that remains to be done there will be no substantive privatisation legislation before the 1988-89 parliamentary session. So water authorities are unlikely to be privatised before late 1989 or early 1990.

However, a short preparatory bill will be foreshadowed in the Queen's Speech on Thursday. This will have two functions: to clarify the legal position on the the water authori-ties' privatisation following claims by trade unions last year that the Government had no right to sell them off; and to prepare the ground for the metering of water supplies.

Metering and privatisation are not directly linked, but they do have a very relevant indirect connection Water charges are based on rate-able values, but the present system of domestic rates (local property taxes) is to be replaced by a comminity charge or poll tax in a bill in

THE SEA

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CLL LANGE

A new system of assessing water though legislation is needed to pro-vide powers for large-scale meterleading contender is metering al-

Most water authority chairmen favour metering, which is already used in industry and is available if requested - and paid for - by pri- sources which, if full use were vate consumers. But there are wide made of them, would allow all 10 divergencies of views on the Government's general proposals for

Following the sudden withdrawal of the Government's privatisation plans last year by Mr Nicholas Ridplans last year by our remained ley, Environment Secretary, a new scheme was floated, without consultation, last month.

NEGOFIATIONS on the method of sponsible for all regulatory func-privatising the 10 water authorities tion, including water conservations in England and Wales are to start and resource planning, pollution shortly between the Government control, fisheries, land drainage, and the water industry.

Some industry leaders, including Mr Roy Watts, chairman of Thames Water, by far the largest and poten-tially the most profitable of the au-thorities, are worried that the proposals will affect adversely the principle of integrated river basin

However others, including Mr Gordon Jones, chairman of the Wa-ter Authorities Association and of Yorkshire Water, and Mr John Bellak, chairman of Severn Trent, believe the proposals could form the basis for a satisfactory privatisation

A key decision - whether to float the authorities off singly, in batches, or all together - will probably not be taken for months.

The most likely outcome, given the wide range of problems and sal-eability, is that the authorities will be sold off in groups, with the more profitable linked to those with the greatest problems.

The fear is that, if they were to be sold off singly, Thames and three or four others would be floated withcharges is therefore needed. The out problems, leaving the remain-leading contender is medicing al-

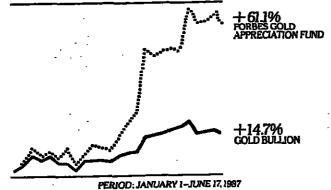
ing tests in different parts of the all 10 being floated off at once. The City of London has become an even larger financial market, and there are companies now operating in it that have enormous financial reauthorities to be privatised more or

is anxious to get us into the private sector and to maximise its own receipts in so doing, I believe it is better to do so in this sort of way rather than through a cautious sale of one or two at a time, which could This proposed setting up a new well lead to investor boredom after National Rivers Authority to be rethe first few."

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BRANCH OFFICES? SUBSIDIARIES? FRANCHISEES?

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British families foot bill of £11.50 a week, reports David Blackwell

# High cost of farm subsidies

ITN is also talking to the SBS into the night, are also believed to channel in Australia, Cable Net-

pays out £11.50 a week to finance market, the European Community farm The &

The huge surpluses produced by the Common Agricultural Policy cost the average Briton 84p a week ust to store, the institute says in the pamphlet, which is entitled Growing Insanity. Consumers have

INDEPENDENT Television News

has sold its World News television

rogramme to NHK, the Japanese

World News, presented by John Suchet, is already available to around 8m cable television bomes

in Europe through Super Channel, the British satellite channel owned

by 14 ITV companies and Mr Ri-chard Branson's Virgin Group. The

World News from London will be

carried twice a day on a Japanese

direct broadcasting by satellite channel from July 4.

The authors - university lectursubsidies, according to a report from the Adam Smith Institute.

The huge surpluses produced by although the CAP was designed to benefit farmers, it is only the larger farmers who gain.

They criticise the Ministry of Agriculture for its "hand-in-glove existence" with farmers which "long ago undermined its claim to be an independent department of state," it has been sold at 5 cents a pound

work in the US and broadcasters in

the Caribbean about taking World

News live by satellite. There is also

the possibility that the daily half-

hour bulletin, which has been high-

ly praised for its news with an in-

ternational perspective, will also

soon be shown in Britain.

ITN sells news to Japanese

the CAP impoverishes Third World countries by keeping their goods out of the European market and keeping them from selling their produce on world markets. While European farmers have been getting 18 US cents a pound for sugar,

The BBC has been seeking funds

version of the BBC World Service

on radio but has yet to receive an

They propose its abolition and internationally with disastrous conmerger with the Department of the Environment. internationally with disastrous consequences to Third World sugar producers.

Trade liberalisation would help both Europe and the Third World, suggests the report, with an ensu-ing gain in total wealth.

Unless reforms are made to the CAP, "history will pass an accusing dustbins as the beggars sat at our

#### Newspaper iobs deal

the News on Sunday, which went into receivership last week, will be saved as the result of a rescue plan from the Foreign and Common-wealth Office to launch a television the Lancashire businessman, Raymond Snoddy writes.

The aim is to produce the national left-of-centre newspaper with only 25 staff journalists.

ITN has argued that the contract for such a service should be put out.

Agreement on the job cuts has been reached with the three unions A midnight slot on Channel Four to tender. Mr Bob Hunter, editor of involved at general secretary level. is one option. Individual TTV companies such as Thames, Central and The BBC is talking about it. We Yorkshire, who now broadcast late are actually doing it." It ensured production of a 36-page emergency edition without its nor-

# Bank lending and higher pay hit inflation policy

BY RALPH ATKINS

HIGH PAY settlements and inmine the Government's inflation was higher last year than at the policy, City of London economists peak of the Barber boom in the ear-

The warnings follow figures released last week showing a rise in 1972. the rate of average earnings growth "It is a and a continuing surge in bank have occurred under a Conservative

lending.
This, the economists say, could manifesto commitment to strive for zero inflation.

Warburg Securities concludes that inflation will not fall sharply unless pay settlements are reduced but says there are no signs of this

In addition, it says the trend productivity growth rate is not fast that the recent surge in consume enough to prevent unit wage costs spending could be inflationary. rising and predicts inflation will av- A third report, from Pann

4.5 per cent in 1988.

It says the growth of bank lend creased bank lending could undermine the Government's inflation was higher last year than at the warned in reports published at the weekend.

by 1970s. Mortgage lending, also after adjustment for inflation, was more than twice as high in 1986 as

"It is astonishing that this should Government which at one time professed itself to be 'monetarist' and frustrate the Government's election pledged that monetary policy would manifesty commitment to strive for never become inflationary again." the report says.

Its findings contrast with a speech made by Mr Nigel Lawson, the Chancellor of the Exchequer, at the annual dinner of the Finance Houses Association last week in which he dismissed the suggestion

rising and predicts inflation will average 42 per cent in 1987 and rise to Gordon, predicts an inflation rate of 5 per cent in 1988.
3.9 per cent by the fourth quarter of A report from Messel says the 1987 - but it says it could be higher central failure in the government's if there is no reduction in the mort-economic management has been to gage rate. Inflation is forecast to allow a major credit boom to devel-rise to 5.2 per cent by the middle of

# Sien

aeep.

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AFTER A SLOW START, SUCCESS ALL THE WAY FOR BUS COMPANY

# Easy ride to private ownership

BY KEVIN BROWN, TRANSPORT CORRESPONDENT

THERE ARE a lot of smiles to be seen these days on the faces of managers at the National Bus Company's headquarters above Victoria Coach Station in London and the broadest of all is sported by Mr Rodney Lund, the man brought in to oversee the break up and sale of

the company to the private sector.

The reason for all the good humour is simple – after a slow start, and months of criticism from analysts and journalists, everything is suddenly coming up roses. Mr Lund was appointed in April last year with a mandate to split NBC into manageable units to be

sold to the private sector before a deadline of January 1989. He took over a company in some-thing of a crisis, with its managers unsure of their future and morals badly dented by the departure of House, was Mr Ridley's insistence the previous chairman, Mr Robert on putting ideology before profit. Brooks, who lost a battle with Whitehall over the form of privati-

The sale of NBC was, and is, Transport Secretary, now at Environment. It was Mr Ridley who pushed through a sceptical ParliaTransport Secretary, now at Environment. Secretary, now at Environment. Secretary, now at Environment Secretary, now at tions on bus operations outside



on the government side of the on putting ideology before profit. by mid-August, the anniversary of good deal at a time when NBC was Instead of sanctioning the transformation of a public monopoly into a von General, the first of the operation between the control of the operation of the opera private one, in the style of British Gas and British Telecom, he sought something of a personal crusade for to ensure an increase in competi-Mr Nicholas Ridley, the former tion in the deregulated industry by

tion to head the Health and Social Services Department.

ing companies to be sold. Furthermore, Mr Lund is sticking to his pledge, made at the end of last year, that all the companies will be disposed of by January 1988 – 12 months ahead of the statutory deadline.

Pleased as he is with the property of the indications how are that the prices being paid for companies coming later to the market are at least 50 per cent higher than the level of earlier disposals.

Mr Philip Williams, a director of Hill Samuel and Co, which has had in figure in the prices being paid for companies to the indications how are that the prices being paid for companies to the prices being paid for companies to the prices being paid for companies that all the market are at least 50 per cent higher than the prices being paid for companies that all the market are at least 50 per cent higher than the prices being paid for companies that all the companies will be disposed of by January 1988 – 12 level of earlier disposals.

ment the 1985 Transport Act, which ed, would be to make some of the provided for both the sale of NBC companies unsaleable, and to read the abolition of most restricted use the receipts that could be expected by the companies unsaleable, and to read the abolition of most restricted use the receipts that could be expected by the companies unsaleable, and to read the abolition of most restricted use the receipts that could be expected by the companies unsaleable, and to read the abolition of most restricted use the receipts that could be expected by the companies unsaleable, and to read the abolition of most restricted use the receipts that could be expected by the companies unsaleable, and to read the abolition of most restricted use the receipts that could be expected by the companies unsaleable, and to read the abolition of most restricted use the receipts that could be expected by the companies unsaleable, and to read the abolition of most restricted use the receipts that could be expected by the companies unsaleable and the abolition of most restricted use the receipts that could be expected by the companies unsaleable and the abolition of most restricted use the receipts that could be expected by the companies unsaleable and the abolition of most restricted use the receipts that could be expected by the companies unsaleable and the companies unsaleable

one piece would be unlikely to raise for pensions, bus leases, overheads more than £100m after the breaking.

Secretaries of state come and go,

secretaries of state come and go, and the latest, Mr Paul Channon, has not found time, in the brief days since his appointment after the election, for a close look at what is happening at NBC.

When he does, however, there is little doubt that he will be as pleased with the progress now being made as his predecessor, Mr John Moore, was before his promotion to head the Health and Social

on to head the Health and Social prices of individual companies, in order not to prejudice negotiations on future sales, and an interim re-

mr Limi has so far succeeded in selling 35 of the 73 companies into which NBC was finally reorganised, and there are a further 15 awaiting approval from Mr Channon.

This means that around 50 subsiming companies, all of which were management consortia, got a very material section. good deal at a time when NBC was

All the indications now are that

ons on bus operations outside pected from the others. The consenondon. sus among analysts was that a comblames this on the complexity of the market, and an ability to get an
What made MPs sceptical, even pany worth as much as £250m in splitting up group responsibilities auction going.

# Kent site for coal-fired power station

BY MAURICE SAMUELSON

erating Board is proceeding with stream. The C er station in addition to the two for

It will be at Kingsnorth, on the Medway river in south-east England and, like the proposed coastal plant at Fawley, is designed to meet plant at Fawley, is designed to meet growing electricity demand in southern England. Like Fawley, too, it will also be able to negotiate for imported coal if the board is not retiefed with Patitich prices. satisfied with British prices.

nuclear power stations by the end whole under its national manifesto of the century. Kingsnorth, the site of an existing power station, has the advantage of being on a neck of land owned by the CEGB, and plan-service (NIE) had expressed grow-

station would be withdrawn from alongside the new lignite mine,

THE CENTRAL Electricity Gen- once the new Fawley plant came on

The CEGR's ambitions at Kingsnorth were confirmed by a report in which it is expected to seek planning permission at the end of this year at Fawley, Southampton, and West Burton, Nottinghamshire.

norm were confirmed by a report in last week's New Civil Engineer magazine that a consulting engineer is to conduct a transportation study for a new 1,800 MW coal-

fired power station. The study, by Mott Halorow Gibb, will examine the movement

station is now receding as a result The CEGB is to embark on a of the Government's declared intenmixed series of about 10 coal and tion to privatise the industry as a

Before the election, the publicly ning permission would not be diffi-cult to obtain.

service (NLE) had expressed grow-ing concern over the Government's annarent interest in inviting a refapparent interest in inviting a pri-Other possible sites for new coal vate consortium to build and op-Hams Hall, an existing power

At Hams Hall, an existing power

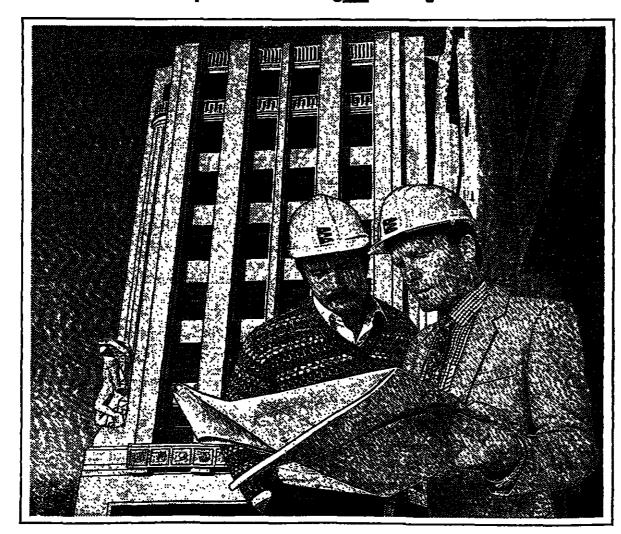
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#### **Bowater hopes** for flotation

next year By Tony Jackson

BOWATER UK Paper, the subject of a £36m management buyout from Bowater Industries last September, is ahead of schedule in

coming to the stock market. Mr Tom Wilding, chairman of Bowater UK Paper, said he was now contemplating a flotation early

next year.

The UK's biggest paper maker with 500,000 tonnes of capacity, Bowater UK Paper made pre-tax profits of £2.8m on sales £74m between the buyout date of September 10 and the year end, Mr Wilding said. Last month, profits after interest payments were £1.25m.

The faster than expected prog-

ress was partly the result of good market conditions, Mr Wilding said, but the most important reason was a £50m capital expenditure programme completed on the company by its parent Bowater Industries at

Mr Wilding said of the proposed flotation "we would like to push the company forward, and it's a big advantage to have a public share

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would have cost about £500m

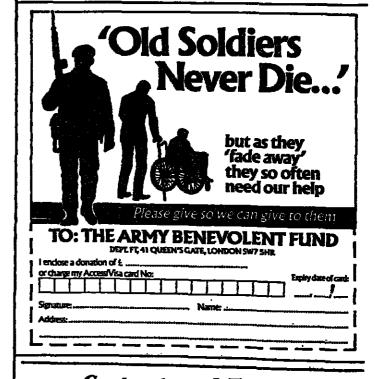
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West German chemical industry

# Why No 4 takes an alternative route

Andrew Fisher reports on the family-owned Henkel group

Germany's fourth largest chemi-cal concern, it tends to get a little edgy. It does not like to be thought of as an also-ran after giants like Bayer, BASF, and Hoechst.

The true difference, however, lies not just in size but in product range and, most par-ticularly, in the very character of the Dusseldorf-based opera-tion. For Henkel is a family company, the largest in a country where family companies play a significant corporate

This character has been reflected in a restructuring programme over the past few years which has sought to focus the company more clearly on mainline and profitable activi-ties. Peripheral and loss-making operations have been sold off, while core businesses have been expanded by acquisitions and strategic alliances with

The company has tried to hold on to what are normally seen as family virtues as it has pro-ceeded with its programme in increasingly tough world mar-kets. Though managed by nonfamily members, the activities of Henkel are pervaded by notions like partnership, finan-cial restraint and far-sightedness, and a softly, softly approach to expansion.

True, not all families are like this, and not all family com-panies do well. But Henkel has held to its traditions as it has allowed in outside shareholders, kept profits growing steadily, and increased its global

marketing and increased its global marketing and production links. As a quoted company (though the family has held on to the votes), Henkel has to be as alert as its rivals. "We must be competitive in the market place," says Helmut Sihler, 57, the Austrian-born chairman. Henkel has kept away from the sectors in which the big three chemical groups are strong, like pharmaceuticals, fertilisers, agrochemicals, energy, and bulk products. Instead, it has concentrated

on specialist products in welldefined market sectors. It has reinforced its position in key areas like detergents, adhesives, and metal surface treatments,

European stronghold into the Mediterranean, the US, and

In trying to balance the terests of shareholders and the demands of the market, it has eschewed high debt to finance acquisitions and mostly used cash flow to promote growth. "Our financial position is very sound, so we don't have to change the nature of our balance sheet in order to grow," savs Sihler.

Last year net profit rose by 28 per cent to DM 226m (£124m), helped by lower raw material prices, and a further rise to around DM 270m is on the cards for 1987. The 1986 increase was on the back of sales down by 5.5 per cent to DM 8.7bn — a third on the domestic market and most of the rest from foreign-based units rather than exports —
mainly because of the strong D-mark.

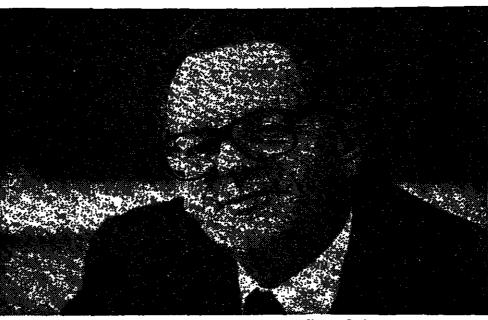
To sharpen its thrust, it has bought businesses from groups like Beecham of the UK in the do-it-yourself sector and taken stakes in others like Loctite of the US, in which it owns 25 per cent, in adhesives. So it is not keen to be known mainly as the company which makes Persil washing powder, at least in those countries where Uni-lever, the giant Anglo-Dutch group, does not own the name. How does it see itself, then?

WHEN HENKEL is called West and moved beyond its northern Well, says Sihler, a keen astronomer, golfer and skier, "we're no longer just a detergent company, but an international chemical specialist company. We feel more comfortable in that role."

The family exercises its control through a shareholders' committee headed by Konrad Henkel, a grandson of the founder and in charge of the company in the 1960s and 1970s when it built up its foreign activities. Under Sibler, expansion abroad has been continued sion abroad has been continued and refined. In the last few years, Henkel

has sold loss-making or peri-pheral businesses with total sales worth some DM 400m. These included its unprofitable Belgian detergent operation, the US gluten business (both in the red and outside its main activities), and its South African detergent company, also a loss-maker. But it has also added some DM 1bn of sales through buy-

ing companies in strategic product and market areas. From Occidental Petroleum it purchased Oxy Process Chemicals in the US, with sales of some DM 300m and a strong position in chemicals for the textile, leather, paper, and paint industries. And when paint industries. And when Beecham's DIY side (annual sales around DM 200m) went up for sale last year, Henkel moved in, seeing a chance to West German company, to



Helmut Sihler: concentrated on specialist products

expand its adhesive and building product activities.

Of the Beecham sale, notes Sihler, "it was an opportunity that offered itself to us — it "All in all," says Sihler, "it's division, comprise the same time."

Just about as largents and household thenkel's chemical division, comprise the same time."

Just about as largents and household thenkel's chemical division, comprise the same time." was right down our alley."
From Clorox, the US house-hold cleanser and food concern, in which it is raising its 25 per cent holding to 30 per cent, it bought a Spanish detergents company and added to its French business in this sector. Henkel has made other piece-meal deals, too. Last year, it

ments, from Ford Motor, set up a joint marketing venture in Germany and Japan with Lion Corporation of Tokyo in the fields of hair colouring, oral hygiene, and shoe care, and

quite a sizeable investment pro-gramme, though the different pieces may not be that sen-sational." The new interests fit well with Henkel's present activities, he points out. The company wanted small, well-managed, profitable companies. "Those are more difficult to get

than the bargains." acquired Parker Chemical, a It also saw the need to expand specialist in metal surface treating the US, where it was still small and barely profitable, and in Japan. "We can't have a European myopia."

This burst of new activity has given the group a more competi-tive stance, says Sihler. "We bought Chemische Fabrik were a company that was Grunau from Degussa, another sufficiently diversified, but maybe going in too many directions

Just about as large as detergents and household cleansers is Henkel's chemical products division, comprising oleo-chemicals, and water soluble polymers. These products, used in a host of chemistry-based,

manufacturing and consumer industries, make up 30 per cent of group sales. Commercial and industrial cleansers account for 15 per cent, adhesives and technical products for 16 per cent, and cosmetics and toiletries for only 7 per cent. Henkel aims to expand the

Henkel aims to expand the latter division to reach over 10 per cent of turnover. "In that area, our acquisition programme is not over yet," says Sihler. "We could buy one company or three or four smaller ones." It is mainly looking for new hair and dental care products.

Sibler reckons the group is now more or less where it should be in terms of products and regions. Now, he adds, "our intention is to be a major player in the markets where we are." As for the future he is are." As for the future, he is keen that Henkel should improve, whether in production, marketing, or research. But he is not thinking in terms of giant leaps. "We are higher giant leaps. "We are higher than average, but we are not first class," he says modestly.
"We need a lot of small steps
to make us a first class company. We mustn't be satisfied with what we have."

Setting its sights high has always been a Henkel charac-

### Public model for a private venture

BY ALAN PIKE

THE LINK Organisation, explains Dewi Rees, one of its after only four years, has a founders, is re-creating the turnover of £26m.

During Lint's relatively short

Not many owners of private companies in the UK would reach for enthusiastic comparisons with Government agencies to describe their businesses, even if they knew what the original aims of the Manpower Services Commission were.

Services Commission were.

But Link has untypical origins. Rees, formerly a marketing director with Whitbread, was seconded to the Department of Employment in the early 1970s. He began his spell in the civil service by working on the remodelling of the public professional and executive recruitment service, and then became one of the pioneers at the newly-formed MSC—it had seven staff in those days. This gave him an involvement in the commission's early job creation commission's early job creation and training programmes before becoming its regional director in Manchester.

This was all good experience when Rees decided to return to the private sector in the early ventional methods. 1980s and set up Link, an executive search, recruitment and training organisation. But it was uniquely complemented by the experience of his wife,

Elizabeth. Elizabeth Rees was deputy chief executive of the Distri-butive Industry Training Board at the time her husband was preparing to leave the civil service, but the board was approaching the end of its days. It was the largest of 16 statutory training boards which the Government wound up in

Apart from needing a new job for herself, she saw the continuing need for a national training organisation in retailing, and the means of staffing it from DITB personnel looking

for other posts.
So the Link Organisation was formed — with Elizabeth Rees private sector alone.

riginal aims of the Manpower pursued a policy of diversification from the UK would each for enthusiastic comparisons with Government agencies with Government agencies of the Course of selection, retruitment atvertis-ing career counselling, occupa-tional health and office ser-vices all form part of its acti-vities. Last month it opened branches in Birmingham and Leeds of a new division, Link Financial Recruitment, specialis-ing in the recruitment of accountants and financial advi-

One of the organisation's newest impovations is Linkline, a system under which Link re-cruitment advertisements in newspapers will be accompanied by freephone telephone num-bers through to Link's head office near Liverpool. No selec-tion will be carried out over the telephone, but the system will enable Link to sort out poten-tial applicants' initial queries and refer them to employers

Link's YTS activities provide training for more than 12.000 young people a year in retailing and other service occupations. Some 43.000 young people have received Link training since Elizabeth Rees took over where the DTIB was forced

to leave off.
Companies using Link YTS training in retailing include Boots, British Shoe Corporation. Fine Fare, Next and the Burton Group, and Link was this year in the first batch of training agencies to receive Approved Training Organisation status from the MSC.

Dewi Rees believes that the time he spent in the civil service, and his wife's spell at a statutory training board, give them a background for develop-ing Link which would not have come from working in the

running its training operations and her husband the recruitment services.

It has established a nation-wide job placement and train-wide job placement and trainpany. We mustn't be satisfied with what we have."

Setting its sights high has always been a Henkel characteristic. Fritz Henkel, who founded the company in 1876, believed it was not enough just to sell a product and see it was on store shelves—"it must be sold with enthusiasm."

wide 100 placement and trandidentify and meet market needs ing structure — hence Dewi correctly, while the civil serker's description of Link as a vice showed me a lot about kind of private-sector MSC. establishing powerful administrative and financial controls. All our business meetings, for to 20,000-plus employees, Link instance, are timed to meet is the largest private training British Rail's whims and fancies so that we can travel on Saver Scheme. The organisation as a tickets."

### How Persil became synonymous with whitewash

IN 1923, when inflation was raging in Germany, a packet of Persil cost well over DM 1,000bn. Ten years earlier, the washing powder had inspired the most famous advertising slogan in Germany "Persil bleibt Persil" (Persil remains Persil).

Today, Persil-also available in an ecologically sound, phosphate-free form—is still Henkel's best-known product, though there are 8,000 others. It is part of the detergent and household cleaning division, accounting for \$2 per cent of turnover.

For many years, the history of Persil was virtually the history of Henkel. It was launched 80 years ago as a product designed to take the back- and arm-ache out of washing. No bard rubbing or bleaching was needed and only one wash.

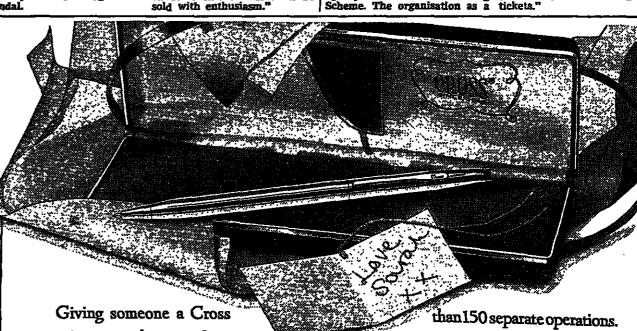
it quickly caught on, though some housewives were sceptical. The company, founded in 1876 by Fritz Henkel in Aachen and soon moved to more central Dusselders, found it had a winner on its hands. The contents of the green and contents of the green and white carton represented a

significant shift from the brown-packaged bleaching soda first made by Henkel, Persil is an artificial name, using syllables from its main components, perborate (an oxygen salt), silicate, soda, and soap. It could have been called Persidol or Oxil, but it was thought these rolled off the tongue rather less

easily. Two years after launching ersil, Henkel granted a cence to Crossield, later Persil. taken over by Lever Brothers. Today, the Unilever concern has the right to the Persil name in Britain, the

Republic of Ireland, most of the Commonwealth,

Under the Nexis, Henkel had to stop making Persil in 1939 and concentrate on basic washing products laid down by the state. After the war, the word gained an extra meaning in Germany, when decuments were needed to prove denazification. A Persil-Scheln (certificate) meant the notorious Nazi brown-shirt had been washed white. Today, a Persil-Schein de-notes a clean bill of health for anyone associated with



pen isn't necessarily a sign that you love them. True, many are given as very personal gifts.

But a Cross writing instrument can also express more businesslike sentiments.

It can say "thank you for your efforts"

Not every Cross comes with a kiss.

and "keep up the good work" to your employees.

Or it can serve as a gentle reminder to your customers. Even as a gesture of appreciation to your suppliers.

Whatever your reason for giving, a Cross pen is certainly a most memorable gift.

After all, it is unquestionably one of the world's finest writing instruments.

To make a single Cross pen takes no less

Every component is machined to an accuracy of one thousandth of an inch.

The result is a writing instrument of unrivalled precision and a possession to treasure for a lifetime.

Indeed, it is backed by a lifetime mechanical guarantee.

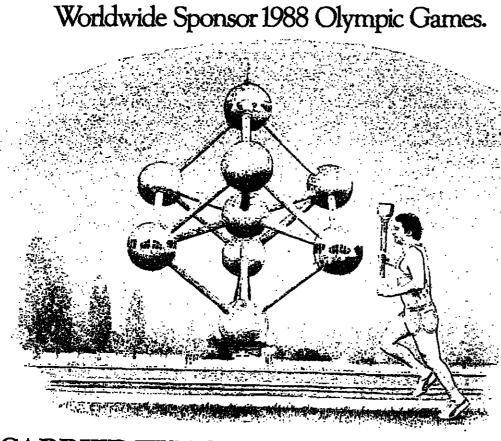
And when a Cross pen incorporates your company's logo, you can be sure it will always be remembered as a gift from you.

Your logo can be reproduced faithfully either in enamel, in up to six colours or diestruck in a special jewellery finish. 🐠

For more information, telephone our Business Gift Department on 0582 422793 or write to us at the address below.

We will send you our Business Gift Pack, not with a kiss, ADACC. but the promise of something far more enduring. SINCE 1846

Model shown: 14 carat rolled gold ballpoint. For details of the full Cross range and a business gifts pack write to AT. Crass (UK) Ltd, Concorde House, Concorde Street, Luton, Beds LU2 OJD. Tel: (0582) 422793. TH.F. logo deficied is that of Trusthouse Forte Airport Services.



The Olympic torch passes through many cities and countries on its way to open each new Olympiad.

Visa is carried throughout the world and as an exclusive sponsor of the 1988 Olympics is the only card accepted on-site at the Games.

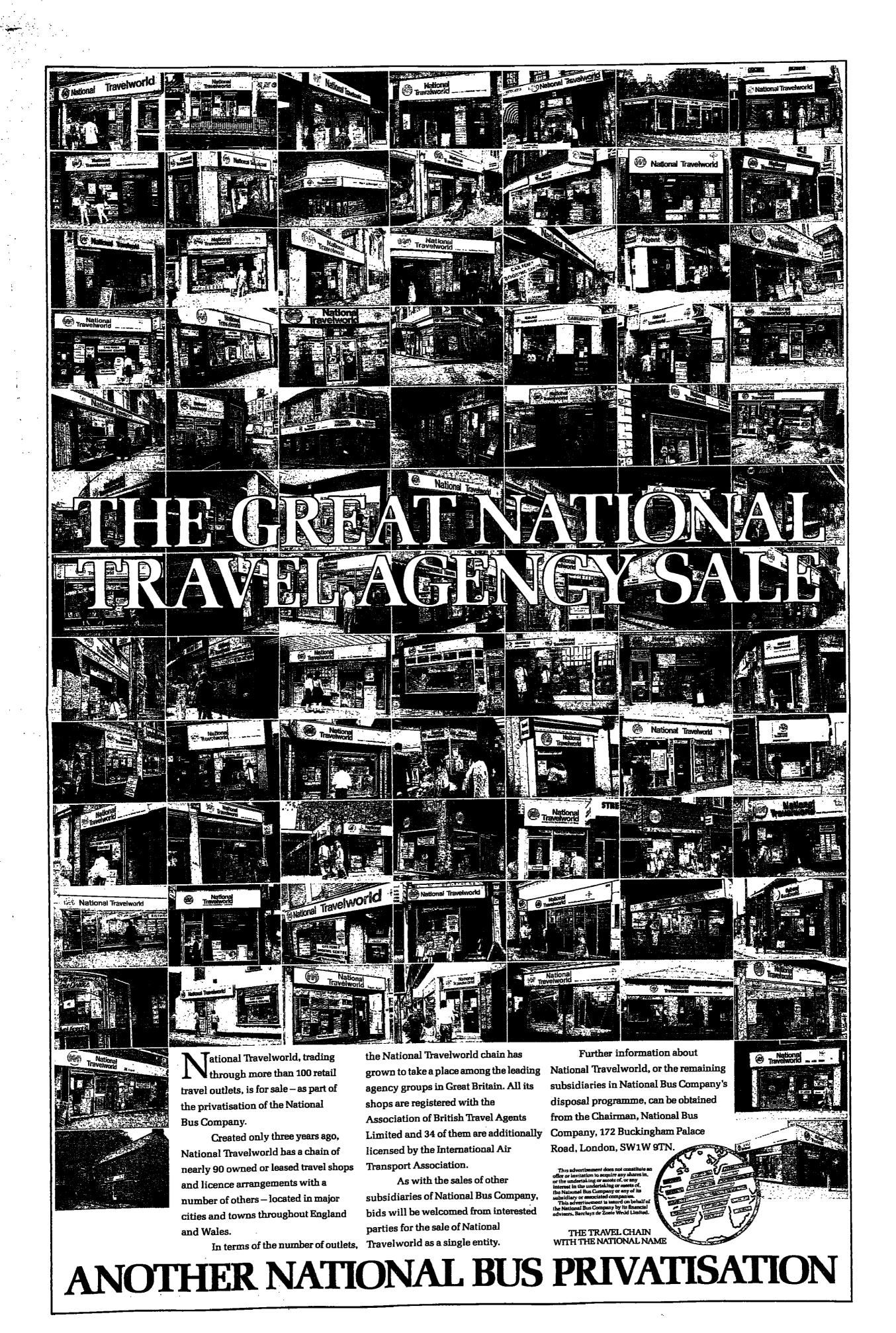
When you travel abroad for business or pleasure you

can be confident that your Visa Travellers Cheques and Travel Vouchers will be warmly accepted. Lost or stolen cheques can be replaced at over 60,000 places - usually within 24 hours.

5 million locations world-wide will welcome your Visa card for travel,

entertaining and shopping. Use Visa-travel confidently. VISA

All you need



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This advertisement is issued in compliance with the Regulations of the Council of the Stock Exchange, It does not constitute or contain an offer or invitation to any person to subscribe for or purchase any securities of Aktieselskaber Hafnia Invest.



#### AKTIESELSKABET HAFNIA INVEST

Aktieselskabet Hafnia Invest ("Hafnia Invest") is the holding company for a financial services group based in Copenhagen, the principal subsidiary of which is Hafnia Insurance, the second largest insurance group in Denmark, providing both general and life insurance.

Application has been made to the Council of The Stock Exchange for the whole of the issued share capital of Hafnia Invest to be admitted to the Official List by means of an introduction. It is expected that the issued share capital of Hafnia Invest will be admitted to the Official List with effect from 24th June, 1987 and that dealings will commence on 25th June, 1987.

ISSUED SHARE CAPITAL

Issued and fully paid share capital

**DKr** nominal

A shares **B** shares 234.523.200 388,157,600

Total issued share capital

622,680,800

Particulars relating to Hafnia Invest are available in the Extel Statistical Services. Copies of such Particulars in book form may be obtained during normal business hours on any week day (Saturdays and public holidays excepted) up to and including 24th June, 1987 from the Company Accouncements Office, The Stock Exchange, London EC2 and up to and including 6th July, 1987 from the principal place of business of Hafnia Invest and from:

Banque Paribas Capital Morgan Stanley International Markets Limited

33 Wigmore Street

London W1H 0BN

Kingsley House la Wimpole Street London WIM 7AA Quilter & Co Limited 33 Wigmore Street London WiH 0BN

22nd June, 1987

NOTICE OF INTEREST RATE To the Holders of

ernational Bank for Recoustruction and Development ed U.S. Dollar Floating Rate Notes

In accordance with the provisions of the Notes, notice is hereby given that the above Notes will bear interest for the answer with bear interest for the period from June 15, 1987 to and including September 14, 1987 at a rate per annum of 6.171013% payable on September 15, 1987 in the amount of \$157.70 in respect of each \$10,000 principal amount of Notes and \$3,942.59 in respect of each \$250,000 principal

Morgan Guabanty Trust Company Dated: June 22, 1987

£500,000,000 Floating Rate Notes 1991



(Incorporated in England under the Building Societies Act 1874)

In accordance with the provisions of the Notes, notice is hereby given that for the three months interest period from 19 June, 1987 to 21 September, 1987 the Notes will carry an Interest Rate of 9.08% per annum. The interest payable on the relevant interest payment date, 21 September, 1987 will be £233.84 per £10,000 principal amount.

By The Chase Manhattan Bank, N.A., London, Agent Bank



#### CONSTRUCTION CONTRACTS

# £95m office complex spans London Wall

Work has started on a 295m contract to replace Lee House, in the City of London, with a landmark office building which will span London Wall. Awarded by MEPC to MOWLEM MANAGEMENT, the project is believed to be one of the most complex and technically challenging building projects in the UK.

It involves demolition of the 21-storey Lee House and construction of an 18-storey office building on the site, and in the air rights" over the London Wall/Wood Street road junction. Nine houses and maisonettes on the south side of Monkwell Square are included, together with shops, a public house, a restaurant and a kiosk for the Barbican Information Centre.

Barbican Information Centre.

The 373,000 sq ft (net) building will consist of office floors, ranging from 10,000 to 30,000 sq ft, grouped around three atria, suitable for dealing and standard office use. Computer and storage space, together with car parking and services, will be at basement level.

The first challenge for the

The first challenge for the project team is dismantling what project team is dismantling what is believed to be the tallest building to be demolished in the City. The concrete structure to Lee House will be cut up and lowered by tower crane into vehicles which will take the elements outside the City for crushing. The site is next to Barbican homes (the closest are only 7 yards away) and



Looking north from Wood Street, showing the "air rights" building which will straddle London Wall

City planners have imposed park rebuilt to make way for strict limits on the site working the new substructure. These works involve traffic management and Mowlem has appointed

up and lowered by tower crane into vehicles which will take the elements outside the City for crushing. The site is next to Barbican homes (the closest are only 7 yards away) and construction.

Before construction.

Before construction can begin, all the major statutory services from the London Wall/Wood Street intersection must be diverted and sections of the underground London Wall car

to be deepened to incorporate a second basement level using the "top-down" method adopted by Mowlem at the British Library site. A steel-framed structure, with composite metal deck and concrete floors, will rise from a bored pile and diaphragm walled substructure. A "pod" system will be used for the construction and installation of the lavatories and the complex will be clad in a variety of materials—largely gramite, aluminium and glass.

A highlight of the constructions A highlight of the construc-

tion will be the erection of the cable-stayed girders and tied arches which form the transfer structure that will support the 16 floors of the "air rights" building over London Wall/ Wood Street. This will take place over several weekends during spring 1988.

The buildings will initially be finished to a shell and core specification, which will include operational main plant, installa-tion of all vertical ducts and risers and commissioning of lifts and escalators. The airconditioning system will be VAV with perimeter heating the new substructure. These works involve traffic management and Mowlem has appointed a specialist works contractor to co-ordinate operations and work in liaison with the police and City engineers.

The basement under Lee House and Monkwell Square is VAV with perimeter heating from between five and nine package air handling units per floor, depending on usage. Standby generators will be on the roof level. High-speed lifts will serve all the floors. Work is due for completion in three years.

The wall will the into the concrete floor of the airport terminal concourse which in turn

minal concourse which in turn ties in with stage 1 of the terminal which is presently under construction. Ground conditions necessitate extensive dewatering throughout the site. Completion is scheduled for mid-1983.

The smaller contract worth

#### £23m prison at Wolverhampton

**Hi-Spec Structures** 

for

**Hi-Tech Industries** CRENDON STRUCTURES LIMITE Long Crendon, Aylesbury, Buck HP189BB Tel: Long Crendon (0844) 20848 Telex: 83249

P4. . . . 4

TAYLOR WOODROW has been awarded a £23m ion-tract by the Property Services Agency to buill a prison on a site near Waverhampton. Work starts this month with completion scheduled for inte 1989. The two duled for late 1989. The twostorey prison comprises two main blocks, an adminstramain blocks, an auministra-tion complex, workstops, stores, education and reli-gious units and physical recreation facilities. The scheme incorporates land-scaping and high security arrangements.

WALTER LAWRENCE PRO-JECT MANAGEMENT has been appointed by the London Borough of Richmont upon Thames to manage a construction programme valued overall at £13m.

at £13m.

A major element is the design and construction of new offices at York Street, Twickenham, Middlesex. The work involves demolition of buildings behind the retained facade of 60-86 York Street. The new works will provide a basement car park for about 70 cars and office accommodation on three/four floors incorporating a central atrium. The retained facade will be refurbished and the remainder of the new building clad in a sympanew building clad in a sympa-thetic style using traditional materials. An adjoining site, at 42 York Street, involves refuris scheduled for mid-1988.

The smaller contract worth £2.8m is for infrastructure works at the airport. The project broadly comprises earthworks, drainage and services as well as a 1.5 km long, 9 metre wide, concrete block access road. Works have started and are scheduled to take 34 weeks. bishment and construction of an extension to the rear.

NORWEST HOLST has won a further £6m package of work on the British Library in London bringing the total to nearly £12.5m. The latest contract includes construction of a ninestorey reinforced concrete frame including waffle floors, precast concrete corble units, troughed floors and lightweight roof slabs. Although overall completion is programmed for two years, various sections of the work will be handed over during the

contract. An unusual feature of the building is the meeting root; lecture theatre measuring 20 by 25 metres, with a tiered slab supported on accoustically instituted bearings giving a minimum of 50 mm air space above the structural slab beneath. In total 10,000 cu metres of concrete and 2,400 tonnes of reinforced stael will be used. An unusual feature of the

#### **Overlooking River Brent** Wall at Stansted Airport

HUNTING GATE has been awarded an £8.3m contract to design and build a 145,000 sq ft office development on a riverside site by the A4 in Hounslow, west London.

The design is based on a traditional theme with the scale of the buildings reduced through the use of facing brickwork, complemented by steeply-pitched roofs with overhanging eaves. Curtain walling has been introduced to provide a strong contrast to the brickwork and to highlight the main entrances to each of the blocks.

To enhance the elevation to

banks of the river are being landscaped with the original

Curtain walling has been introduced to provide a strong contrast to the brickwork and to
highlight the main entrances to
each of the blocks.

To enhance the elevation to
the River Brent, a series of brick
arches will be introduced at low
level to provide further visual
interest in the scheme. The
banks of the river are being

As well as the riverside view,
future occupiers will be able to
look down on a landscaped courtture. This, says the developer,
combined with a landscaped rourier.
This, says the developer,
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The provide a strong contrast to the brickwork and to
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This, says the developer,
combined with a landscaped in the strong turn.
The provide further visual programme, will create a high
interest in the scheme, The
programme in the scheme in the sc programme, will create a high quality environment once the project is completed in August 1988.

#### City offices

PROJECT MANAGEMENT IN-PROJECT MANAGEMENT IN-NATIONAL is to manage the new Roy Properties 150,000 sq ft office development, and 40,000 sq ft of mid-tech space at the Aldgate Exchange, Commercial Road, El. The scheme is cost-ing about £20m.

The building will have an

including dealing floors, an adjacent computer building and car parking. It is part of a comprehensive development programme now being carried out by Roy Properties in the City. Further sites to be developed are in Lemma Street and Man-

#### Over £11m for R. M. Douglas

racts together worth nearly

£10m.
The largest, at £7.3m. is for

a massive retaining wall, 600 metres long. The wall will be formed by contiguous bored piles held back by Macalloy bars, fixed into a second line

Piling will be carried out by

associate company Cementation Piling & Foundations. There will be about 374 bored piles ranging in length from 10 to 25 metres

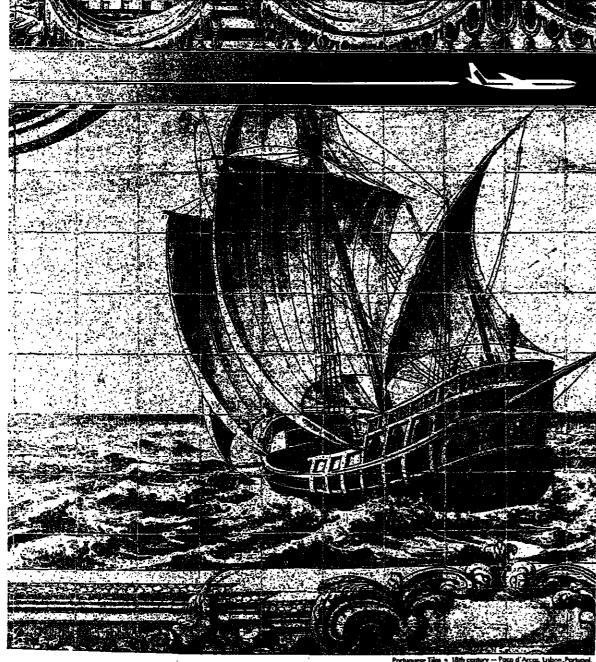
of concrete piles

As part of the major development at Stansted Airport, Essex, CEMENTATION CONSTRUCTION, a Trafalgar House company, has been awarded two contests in with stage 1 of the standard two contests in with standard two contes

52-week office refurbishment contract for Glaxo Operations UK at Ware, valued at £2.7m. A design and build contract of £700,000 adjacent computer building and car parking. It is part of a comprehensive development programme now being carried out by Roy Properties in the City. Further sites to be developed are in Leman Street and Mansell Street.

Demolition has commenced and a fast-track programme of 18 months construction is envisaged for completion in late 1988.

Orders for £11.4m have been received by R. M. DOUGLAS (CONSTRUCTION. A Department of Transport lane rental contract of Transport lane rental contract on the £2.9m 91-week contract for Scheme 2 at Morriston General Hospital, Swansea. A factory unit of £600,000 at Kenfig for Orion UK and a £2.9m pletion in 39 days working night and day. Work has started on a for a Texas Homecare DIY ware-



neously. While your ge is separately handled

Navigationan **Efficient** and Graceful



We fly the face of History.

Art.



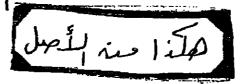
# MEESCHAERT ROUSSELLE

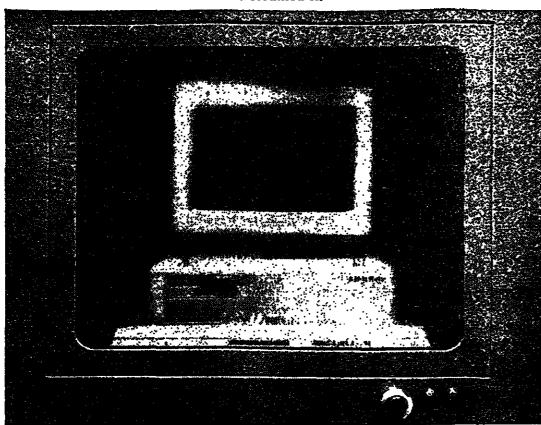
...because on the newly opened Paris exchange, size means nothing without savoir-faire.

Let the specialized knowledge, comprehensive research resources, and sophisticated information systems of a long established market leader open the way to your investment success in France.

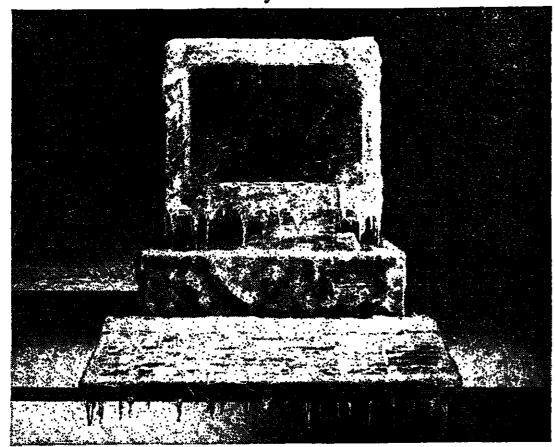
Meeschaert Rousselle, the Parisian partner for the discerning investors.

<u>Meeschaert Prousselle</u> Member of the Paris Stock Exchange 16 Boulevard Montmartre 75009 Paris Téléphone/Téléfax : (1) 42 46 72 64 - Télex : 660 113

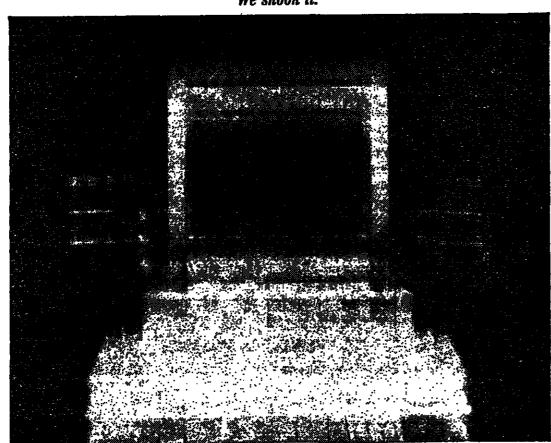




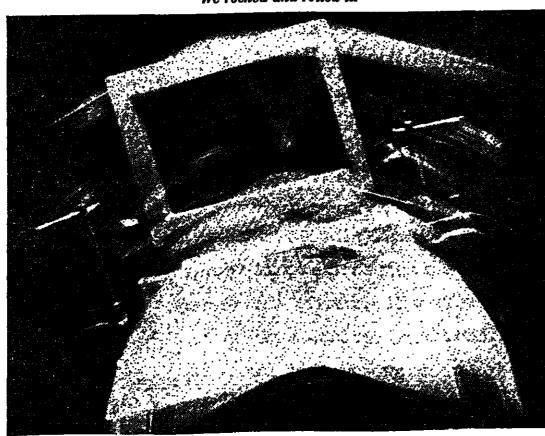
We froze it.



We shook it.



We rocked and rolled it.



o get to your office, the Vectra has to go through hell.

How can we be so sure our Vectra computer won't let you down? Because we asked Lloyd's Register of Shipping to give it a going over.

Lloyd's test all kinds of equipment for seaworthiness. They believe a computer should be able to round the Cape, reach the Pole and spend a week in the Doldrums.

Which is why they tested the Hewlett-Packard Vectra as if lives depended on it.

First, they left it in a temperature of 55°C for 100 hours.

Then they lowered the temperature to -25°C for 16 hours.

In the next test they again raised the temperature to 55°C but this time with a humidity of 95%.

They also rolled the Vectra each side of the vertical, they vibrated it for two hours and they fluctuated and interrupted the voltage and frequency.

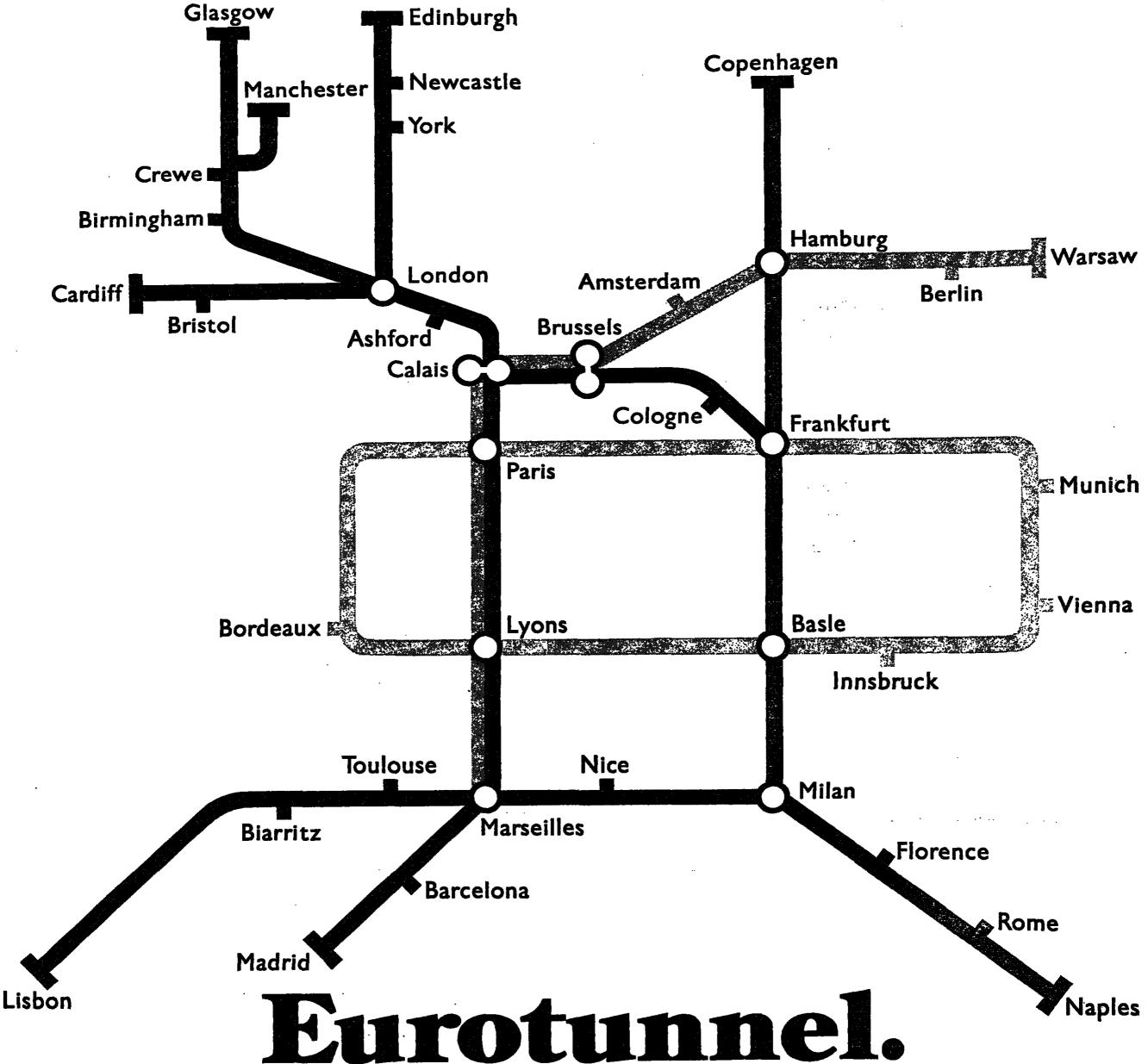
The results, we think, will surprise you.

Apart from suggesting we should secure the capacitors and resistor more firmly, Lloyd's gave us a clean bill of health.

For those on dry land, the message is clear.

If the Vectra can cope with life at sea, it should find office life plain sailing.

We can work it out.



Eurotumnel. Look at it this way.

Never mind Collier's Wood to Camden Town. Forget Arnos Grove to Archway.

In six years' time, you'll be able to hop on a train from Birmingham to Brussels.

Or catch the 8.23 from Newcastle to Nice (change at Paris).

For as the final section of rail is lowered into place somewhere beneath the Channel, Eurotunnel won't simply be making history.

It'll also create the single biggest unified rail network in the world.

Imagine all the advantages that'll mean to the hard-pressed international traveller.

For the first time, you'll find yourself getting

from A to B without having to worry about sea.

There'll be no more humping luggage off the train onto the boat and back onto the train again.

No more pacing the deck worrying about missed connections.

And, just for good measure, rail journey times to the Continent reduced by about 2 hours.

Indeed, if you happen to be reading this in the cab queue at Heathrow, consider the following.

From city centre to city centre, the train will outstrip the plane on most trips up to 300 miles.

Try and beat that for A breakthrough going, Boeing.

A breakthrough for Britain.

Linkage of cities on map does not necessarily imply direct connections.

#### Guttrie, 30-32. St Mary Are. EC, 12.00 Holls, 33. Holborn, EC, 2.50 Kannety Smale, Victoria House, Vernon Place, WC. 10-30 Returner (John House, Vernon Place, WC. 10-30, Charchill House, 30, Returner (Jewellers), Charchill House, 30, Byrtman Square, W, 12.00 bires Imms., 70, Finsbury Pavement C. 12.00 Value Inds., Sritzppia Hotel, Man-ster, 12,00 Trust, 116. Piccadilly.

DARD MEETINGS-

DIVIDEND & INTEREST PAYMENTS-Banca Serfin Sub Fits Rate Nts 1985-89 \$107.17 BFCC 6-poPf 3.25p. 74poPf 3.75p. 74po Pf 3.575p India (State Bank of) Fity Rate Nts 1997 india (State paris \$321.03 Perkins (John) Meats 1.2p Tankinsons 2p

OMPANY MEETINGS—

1 Props., Irronmonders Hall, Shaftes-ry Place, Sarolcan, EC, 11,45

Sh Borneo, 31. Charles II Street, St.
mes's Source, SW. 12,00

Pish Nationalo Inv., 26, Finsbery
Pish Nationalo Inv., 26, Pishbery
Pish Nationalo Inv., 250

Edinburgh, 12,30

Automatic House, 12,00

d. Securities, Devonshire House, COMPANY MEETINGS-

#### Trade fairs and exhibitions: UK

BOARD MEETINGS-

DIVIDEND & INTEREST PAYMENTS-

WEDNESDAY JUNE 24

British Music Fair (01-385 1200)

Technology and Pharmacology

British Products and Services

Electronic Products Exhibition

01-940 Koala Lempur

COMPANY MEETINGS— sichi Tin, 30-32, Ludgate Hill, EC, 12.00

al Tet 1.9p. SpcPf 2.1p

Current
Property Management & Architects Exhibitions (01-749 9535) (until June 24)

Suppose Su

Show (01-242 3621) Wembley Conference Centre Software Engineering Tools Ex. July 17-18
hibition and Conference (01-868 Cash and Carry Fashion Fair
4466) (until June 25) Wembley (01-727 1929) Kensington

June 27-28
Craft Fair (01.940 4608)
Sandown Exhibition Centre,
Kaher

Sume 20-July 2

Whibi.

Exhibit

Summary Treat Show (01-July 23-26
Electronic Publishing Exhibition and Conference (01-868
Acorn Computer User Show (01836 2441)
Barbican Centre 836 2441) Barbican Centre July 28-August 2 Wembley

Money Show (0895 58431)

Finance

The following is a record of the principal business and financial engagements during the week. The board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable. Ronciman (Walter), 52, Leadennail Street, EC, 12.00 Sovereign Oil, 87, Bartholomew Close, EC, White Horse Hotel, The nsoy, 11.30 mmonwealth, 14-20, St Mary

invs., 1, Love Lane, EC. way. 76, High Street, nt. 10.00 11, Changes Street W Hides., 95. Piccadilly, W. 11.00 es Trust of Scotland, 29. Chanotte Ledisburgh, 12.30 Harrogate Road, Apperley Bridge, (d. 10.00 m. Road, Leticester, Most M. Road, Leticester, 12.30

BOARD MEETINGS-

Anglia BS Fits Rate Nos 1996 £122.51 Sanco Espir Santo E Com De Lisboa Fits Rate Nos 1996 £122.51 City of Oxford Inv 75t 1.15p National & Provincial BS Fits Rate Nos 1996 £122.88 National Commercial Stank Fits Rate Nos 1994 £128.81 National Rate Nos 1995 £128.81 National Rate Nos 1995 £128.81 National Rate Nos 1995 £128.81 National Rate Nos 1996 £128.81 National Rate Nos 1995 £128.81

DIVIDEND & INTEREST PAYMENTS-English National Inv Pid 6.75p. Did 4.3p First Charlotte Assels Trink 0.05p Grupo Industrial Alfa \$255.56 Korea Exchange Bank Fits Rate Nts 1993 \$347.57 Water Kenz Weter Works Metropolitan Water New Novem 39CDb 1.5pc Peachey Property 64pc1stMtgDb 1983-88

Yule Catto, Great Eastern pool Street, EC, 12.00

BOARD MEETINGSand General Invet. Thompson and Ever intol. Bond Fund

CIVIDEND & INTEREST PAYMENTS— merican Cynnemid 52.5cts eck & Decker 10cts trard & National 14b veators Capital Trust 3.15e id-Sussex Water 4.9cc 2.45e liler & Santhouse 0.75e ed Decorative Products 4ecbb 2pc yth Stalfordshire Water 4.0cc & 2.45e, 2.45e, C 2.45e, 3.5cc 1.75e T ASO.26 DIVIDEND & INTEREST PAYMENTS-

DIVIDEND & INTEREST PAYMENTS

BOARD MEETINGS-

Balley (Ben) Construction 0.4p Bayer DM 10 Bayer Dacilic (Sterfing) Fund 10.2p Hercules 44cts Scottush Mortsage & Trust 65p

COMPANY MEETINGS

, 12.00
ing, W, 12.00
ling, W, 12.00
ling, W, 12.00
isagins Hall. Gutter Lane.
Sadjers Hall. Gutter Lane.
Ed. 12.00
Ledonian Hotal.
Ed. 12.00
Ledonian Hotal.
Ledonian Hotal.
Ledonian Rootes, Great
rest, WC 12.00
entol Inv Tst. 77, London Wall.

eron 1,25p

# London subsidiary for Wates built homes

WATES BUILT HOMES has formed a wholly-owned subsidiary, Wates Built Homes (London). Mr Bill Galr, managing director of Wates Built Homes, has been appointed chairman, Mr Bill Bromwich is managing director and Miss Carolya McQuitty is sales director.

Mr Ronnie Blair has retired as managing director of ABITIBI-PRICE SALES. He will remain on the board as vice-chairman. He will be succeeded as managing director by Mr Charles Harvey and Mr Paul Planet joins the company as sales director.

The ALUMINIUM WINDOW ASSOCIATION has elected Mr Alan Fitzjohn, managing director of Bacoglaze Systems, part of British Alcan Aluminium, as vice president. He will assume the president in June 1988. The appointment, which is the first from outside a window-making or onlying the presidence of the pres of British Alcan Aluminium, as vice president. He will assume the presidency in June 1988. The appointment, which is the first from outside a window-making company, reflects the growing strength and importance of aluminium window systems in the marketplace, says the association.

his promotion is from July 1. Mr Tim Sanders has been appointed director and London and SE regional manager of career and human resource management consultants, CHU-SID LANDER. He was with The Equitable Life Assurance

Society and before that was with Hogg Robinson Group after transferring from The London Life Association. Before that he was director of manpower policy and planning with the Royal Marines, with whom he served 23 years.

manufacturer of haulage rope pulleys and frames for the mining industry, has appointed Mr Alan Medley as general manager. He replaces Mr Stan Fisher, who has retired.

Mr Maurice Doran, formerly

Mr Joseph Knowles has been Mr Joseph Knowles has been appointed managing director of CLARK KINCAID, engine building subsidiary of British Shopbuilders. He was deputy managing director, and succeeds Mr Bill Scott who has been appointed managing director of North East Shipbuilders, the largest shipbuilding subsidiary of British Shipbuilders.

appointed deputy chairman of AIR CALL (HOLDINGS). Son of the late John Stanley, Air Call's the late John Stanley, Air Call's founder, he joins from Corney and Barrow, where he was appointed chairman of WILLIAM MERCER FRASER, actuarial and employee benefit consultants. He sucreeds Mr Peter Coster who will become president of William M. Mercer. Mr Felton was deputy chairman, and his promotion is from July 1 more relating director. Mr Call's founder, he joins from Corney and Barrow, where he was managing director. Mr Stanley and Barrow, where he was managing director. Mr Stanley, Air Call's founder, he joins from Corney and Barrow, where he was managing director. Mr Stanley, Air Call's founder, he joins from Corney and Barrow, where he was managing director. Mr Stanley, Air Call's founder, he joins from Corney and Barrow, where he was managing director. Mr Stanley will be assuming specific methods and employee benefit consultants. He sucreeds Mr Peter Coster who will become president of William M. Mercer. Mr Peter Gardner, sales and marketing director.

marketing director of D. A.
Thomas Holdings and director
of sister company Hewi (UK),
has been elected president of the
GUILD OF ARCHITECTURAL IRONMONGERS.

\*
R. E. BARKER & CO.,
Featherstone, West Yorkshire,

marketing director, has been appointed managing director of PHOTO-SCAN. He succeeds Mr Peter Goddard, the company's founder, who will retain his association with Photo-Scan as non-executive vice chairman.

Mr P. I. Donovan has been elected president of the NATIONAL ASSOCIATION OF BRITISH AND IRISH MILLERS. He is chairman and managing director of Allied Mills, and chairman of the Mardorf Peach Group.

Mr Simon Daniels has been appointed managing director of J. LONG & SONS (BATH) a member of the J. M. Jones Construction Group. He joined the group in 1988 after eight years with John Laing Construction. Mr Nicholas Stanley has been

Rendels, a member of the HIGH-POINT RENDEL GROUP, has appointed Mr Peter Clark as director responsible for the business development unit. Mr Terry Mulroy, managing director of Transport Planning Associates, becomes a director of Rendels. Mr Tom Walsh, managing director of Rendels, managing director of Rendels, managing director of Rendels is made an assistant managing director of Rendels Palmer & Tritton with responsibility for co-ordination of UK regional offices. Mr Bruce Clarken, director, RPT and secretary of Rendels, in addition to his current duties, will assume responsibility for the control of contract services. Mr

senior assistant director of RPT with responsibility for develop-ment of business in the property

Mr Rick McCann has been maketing director, has been manager of FRAZER-NASH populated managing director of SCIENTIFIC He was operations DUCTOSCAN He suggested the statement of t and technical director. Mr Simon Bailey becomes sales and Bailey becomes marketing director.

Mr Bouglas Young has been appointed financial director of JARDINE THOMPSON GRAHAM. Mr David Martin becomes a director, and managing director of the international department of the non-marine director. department of the non-marine division. Mr Jeremy Monroe also becomes a director, and managing director of the North American department of the non-marine division.

Sir John Collyear has been elected president of MRA in succession to Prince Michael of Kent. Sir John was chairman of Kent. Sir John was chairman of AE. He is chairman of the Department of Trade and Industry technology requirements board, chairman of United Machinery Group, director of Hollis, director of MK Electric Group and soon to be chairman of Fulmer Research Institute.

Mr Roger Bolter has been appointed finance director of WESTINGHOUSE BRAKES

Mr Clive Ranover, Mr Alan Renson and Mr Brian Wootton have been appointed directors of HILL SAMUEL INVESTMENT MANAGEMENT. Mr Howard Maguire has been appointed a director of Hill Samuel Pensions

#### July 14-16 Kensington Exhibition Centre Electronic Design Automation

Current

August 2-5 Royal Agricultural Show (0203 BFM Furniture Show (01-724 555100) Kenilworth 0851) G-Mex Centre, Manchester

#### **Overseas**

July 22-25

Fair (0206 240668)

Current International Foundry Exhibi-tion (021-455 9600) (until tion (6 June 26) Current

International Wine, Spirits and Equipment Exhibition (01-225 Fair (0206) 5566) (until June 26) Bordeaux July 24-27

June 30-July 3 June 30-July 3 — INTERNEPCON Electronics Industry Exhibition 3777) K (02403 29406)

July 16-20
International Jewellery and International Integration of Watches Exhibition—JEWEL-Western and Chinese Medical FAIR (01-464 4129) Singapore July 16-20

search: Issuing, Trading and for International Investing in Equity Warrants Institute

Research: Pricing, Hedging and Trading Options on Interest Rates (01-434 1017) Agriculture EDC/TVS: Directions for change—land use in the 1990s (0622 691111) Southempton

July 7-8

July 7-8

competitiveness of British Multinationals (01-235 0246)
15 Belgrave Square, SW1
June 36-July 1
Watt Committee on Energy:
Rational use of energy (01-379
6875)
Heriot Watt University
Ediaburgh
Watt Carlton Hotel, Chicago

July 23
Financial Times Conferences: July 28-30
Oil and gas reappraised (01-621
Microwave Association: Educating the educators (01-229
S225)
Royal Holloway and
July 6
Bedford College, Egham July 6
London Chamber of Commerce:
Turkey in pre-election year
(01-248 4444)
69, Cannon Street, EC4
(01-730 3438)

Bedford College, Egument 10-12
Frost and Sullivan: Managing the data centre as a business (01-730 3438)

London

**Business and Management Conferences** Financial Times: World gold (040 35 69 24 40)

Financial Times: World gold (040 35 69 24 40)

Forum Conference (01-621 1355)

Ventce Institute for International Re-

> Cafe Royal, WI 34 1017)
> Moorgate Place, EC2
> City Financial: Insurance information exchanges — UK-general

Connaught Rooms, WC2 Juny 7-8

June 24-25

ESC: Commercial Exploitation and Protection of Computer Software (0536 204224)

Churchill Hotel, W1

June 29

Juny 7-8

Financial Times Conferences: Telecommunications and the European Business Market: the perspectives for change (01-621 1355) Hotel Inter-Continental, W1

June 29

Software (0536 204224)
Churchill Hotel, WI
June 29
The Strategic Planning Society:
Recent research results—the competitiveness of British Multicompetitiveness of British Multitheir businesses grow? (0734
794161)
Portman Hotel, WI

Ritz Carlton Hotel, Chicago July 28-30

Anyone wishing to attend any of the above events is advised to telephone the organisers to ensure that there has been no change in the details published.

CONFERENCES

Supplying The Health Service

Wednesday 22 July

The National Health Service spends £3.5 billion p.a. on

equipment and services. Companies interested in winning

some of this business should attend.

**Government & EC Support** 

**For Your Business** 

Wednesday 8 July 1987

Other July Conferences:

Equal Pay For Work Of Equal Value, Riday 3rd.

Counterfeiting, Thursday 9th.

Inventory Management, Friday 10th.

Corporate Survival - Trends In

Terrorism & Crime, Tuesday 14th. Facing The Future — The Personal Implications Of

New Technology, Wednesday 15th. Integration For Profit, Thursday 16th. Nuclear Energy — The Good News For British Industry, Filday 17th.

Control Of Substances Hazardous To Health, Monday 20th. Overhead Deployment For

Competitive Advantage, Thursday 23rd.

CBI Conferences, Centre Point, London, WCL For reservations call the Conference Department on 01-379 7400.

# the secret a computer

1986-87



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JUNE DELIVERY OF 500TH NPS TO ICL After many years supplying network processing systems to ICL on an oem basis, providing their mainframes with a powerful front-end

communication processor, ICL take delivery of



JULY DHSS LOCAL OFFICES CHOOSE MOMENTUM

their 500th system from ITL.

ITL Momentum computers are chosen to equipall five-hundred social security offices providing a communication link between the office terminals and mainframes at DHSS computer centres. The prime contractor for this project is British
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competitive phases against intense competition.



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LIVE WITH MOMENTUM October 27, Big Bang day when the financial services industry was deregulated stimulating the widespread introduction of technology to provide a competitive advantage and superior client service. III Momentum with NMW/Timon software provides market-making and portfolio management systems.



NOVEMBER BRITOIL CABLESTREAM

NETWORK GOESLIVE The major Cablestream network installed in Britoil's new Glasgow office provides a flexible network system to support the wide range of computer services used throughout the building.



DECEMBER BRITISH AEROSPACE ORDERS CABLESTREAM

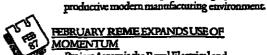
British Aerospace Air Weapons Division, after extensive evaluation of a pilot installation and the benefits officed, make a trajor strategic commitment to TTL Cablestream broadband network technology and the secure network management system provided by Momentum.



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JANUARY FORD INSTALLS CABLESTREAM



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of spares.
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# When words from the heart won't do Minister? Naturally, arguing



JOHN LLOYD

URING the election, a senior Labour polititian was listening to the Prime Minister's cele-brated remark that she wanted a doctor of her choice wanted a doctor or ner choice at a time and place of her choosing. He thought, as did much of the media, that this would do her harm, perhaps even that she had committed the fabled supergaffe which,

picking up speed as it travels through studios and word pro-cessors, boomerangs back on its creator to hit her smack between the eyes. He rejoiced. The remark appeared to cause not a blip in the polls. The senior Labour politician reflected: and he thought something like this. That Mrs Thatcher was speaking from the gut. That she was saying what she wanted without what she wanted without putting it through the sieve of politicospeak, and was voicing a desire shared by all, even if it could be afforded only by the few. That she spoke into a political atmosphere (which she had helped to create) in which the frank assertion of "I want" was no electoral handleap. That his party too had to find some way to speak with the same careless rapture.

Push the thought further. How does a Labour or Alliance leader speak from the gut in a way which will match the simplicity and sincerity of the Prime

for a return to tri-partism does not provoke an internal shout of assent. But nor do the more paipably emotional issues, like health, education issues, like health, education and unemployment. For in such issues (where both Labour and the Alliance found themselves to be "strong") the posture of the politician is usually that of the bourgeois seeking to persuade people to care for the neglected. He does not speak from the gut, but from the heart—and increasingly a heart which heats to the wild rhythms of the party's private polling. That is not to say Opposition politicians lack idealism—idealism is at least a component in propelling most men and women into politics and keeping them there. The problem in this instance is that the idealism is contrived. It does idealism is contrived. It does not say "I want" for it believes that "I want" must wait upon "You should." It is here where the news

fiashes of Mrs Edua Healey's private operation and Mr Bryan Geuid's swimming pool flare so brightly. Of course these stories are "unfair": but most people of average or less-than-average means, looking at comfortable padded and paid politicians, have at least a latent feeling that here is a man doing well for himself. There is thus bound to be a certain unease that these people profest too that these people profest too much. Put crudely: if large numbers of the working class no longer want socialism, what's in it for the middle

The psychologist William James developed a two-fold classification for people: the "once born" and the "twice born." The once born are people broadly comfortable with the world, in whose souls no constant battles rage. The twice born are those for whom all life is a battle: who are never comfortable but who feel that this state is Taking James's insight further than he meant it—we might see the election as a battle between the once and twice born. The once-born Thatcherites see (or say they see) the world as capable of simple remedy: the application of the market, which can be equated with everyone's desire for freedom; the "I want" that moves mountains, and kills socialism. The twice born are more complex people, or people who say they think things are much more complex: they call for

a sacrifice from some, even most, to assist a minority: they speak to consciences. These twice born are grossly over-represented in the ranks of dons and clerics
one reason for their alienation from Thatcherism. The Scots, too, constitute a sul-

len opposition: but they are a race with great strata of discomfort running through them, whose residual Calvinism forbids a simple re-

sponse to anything.

The twice born are right that matters are not that simple and that there is no single key which needs to be single key which needs to be turned but once. But they have not been able to stop the once born politicians appealing to the once born masses. Nor have they gained much affection for their role in warning of the perils of greed.

Perhaps it is right that they have not. For though it is perfectly clear that society is perfectly clear that society is becoming steadily more socially polarised, it is neither politically wise to proclaim nor indisputable, that this is because there is a huge tide of greed coursing through the veins of the Cls and C2s. That always seemed like unper class condenses. like upper class condescen-sion, and there is some evidence to that effect.

Figures collected by the Charities' Aid Foundation show that charitable giving in the UK has increased from an annual level of £7.2bn in in 1981, to around £10bn in

the mid 1980s. A survey which the foundation plans to publish in September will show the present level at some £12bu annually.

In the voluntary sector, both the National Council for Voluntary Organisations and the Volunteer Centre report that both the number and scope of voluntary agencies are growing strongly. More interesting that the still, according to the Volunteer Centre, growth has not been confined to the traditional "do gooding" areas of charitable works: much more centres round activities initiated, typically, by groups of women who have been galvanised into helping themselves and others by — for example — crime, or drug-taking among their children, or the inepti-tude of their local councils.

If it is the case that the trend lines for charitable giving and doing are rising at the same time as those for shares and house-owning, this may provide the desparing senior Labour politician with something to work on. Part of the "realignment" of the opposition parties over the next period will include. I judge, their giving a much more central role than in the next to just such voluntary past to just such voluntary activity — and explicitly advancing this as a partially publically funded adjunct to some state activity.

"Setting the people free"
-not just to help themselves but to assist others could unlock reservoirs of good Samaritanism. And the augmentation of state-provided mentation of state-provided weifare by a multitude of endeavours which were personal, tangible and on an individual human scale could allow any politician embracing this "wave of the future" to speak from somewhere rather closer to the gut than they could earlier this month. they could earlier this month. Doing good to whom I choose in a place I choose at a time I choose is not exactly Florence Nightingale, but is perhaps as much as most human flesh will yield and it also seems that more and more people are choosing to do just that.

#### INTERVIEW

# At home on the Sloan range

Anatole Kaletsky talks to Roger Smith, chairman of General Motors

HEN Mr Roger Smith this carefully crafted pyramid, arrives at work in the designed to arrive at work in the

No city in the world is more dominated by one industry than Detroit. Not many industries are dominated by a constraint in 1861, it is apparent that the Sioan mantle weighs heavily on his shoulders.

Indeed, if there is one thing are dominated by one company that comes out more clearly as the US car business is by than Mr Smith's determination GM. And few giant companies to shake up GM, it is his pride are dominated by a formalised in GM as it is. And if there management system in the way that GM still seems to be by the hierarchical committee structure created 50 years ago by

arrives at work in the designed to ensure "decentracathedral-like art-deco lised operations and responsi-General Motors Centre which rises surrealistically out of the largely empty wastelands of central Detroit, he is, in one sense, master of everything he sees.

Cathedral-like art-deco below the largely depth of the biblites, with central co-ordinating control." Despite the unprecedented bureaucratic reorganisations which Mr Smith has initiated since becoming chairman in 1981, it is apparatus.

is one thing stronge; than his desire to make his mark by

"decentralised operations and world's next biggest motor responsibilities" of the time-honoured GM way.

However, in the past year

Perhaps these contradictions explain why Mr Smith appears to be strangely impressed and to GM's lies. In the past year another superlative has been added to GM's lies. explain why Mr Smith appears added to GM's list: it has to be strangely impotent and become one of the most isolated. Beneath him lies not criticised companies in the only the world's largest com-pany, but probably the greatest non-governmental bureaucracy non-governmental bureaucracy of any kind. GM's annual turnover of \$104bn (£62.6bn) in 
1986 was bigger than the gross 
national product of Switzerland 
or Sweden. Its 876,000 
employees outnumber by nearly 
two to one the 485,000 workers 
at Sears Roebuck, America's 
next largest employer. The 
8.6m cars and trucks GM builds 
annually worldwide dwarf the 
5.9m produced by Ford and the 
8.7m made by Toyota — the iterarchical committee struciterarchical committee struciterar

world. GM's car sales have been shrinking. Its shareholders have been complaining about misconceived acquisitions and a gargantuan appetite for seem-ingly unproductive high-tech investment. Finally this spring came the ultimate humiliation
— a resurgent Ford announcing higher profits than GM for the first time since 1924. Asked to look back over his

performance as chairman, Mr Smith admits to no regrets of any kind—about the \$40bn GM has spent since 1981 to modernise its plant with little pay-off apparent so far: about the controversial purchases of the software consultancy, Electronic Data Systems (EDS), and Aircraft, which Mr personally master minded; or even about the notorious \$700m buy-out which GM's board agreed on last December to silence its most vocal critic. the mercurial founder of EDS, Mr Ross Perot, or benefits," he says. There is just one mistake Mr Smith can think of. "We went too far in small cars. We made some of our larger cars too small—I'll accept that," he says. By "downsizing" its luxury Cadillac models, GM underesti-mated the conservatism of its traditional customers and lost

Lincoln division.

When pressed for other distinguished GM's strategy in errors, Mr Smith deflects the discussion to government. "In the 1970s, when the US car inground against the Japanese ground against the Japanese dustry should have been doing onslaught on the market. Ford some of the things we're doing and Chrysler have turned in far

traditional customers and lost

proving quality — we were cently, but partly at the ex-saddled with ever-changing pense of lost market share and regulations. The Government more reliance than GM on outheaped on regulation after re- side component sources. gulation, without regard to costs

Pressed again, the GM chair-man is aroused to passion: pre "Where is GM today? We're cos number one in the world-right? We account for one in every five cars produced world-wide—right? Now where is America's TV industry? Where is the steel industry? I don't a large and very profitable think GM has done too badly."

segment of its sales to Ford's

In a sense Mr Smith is right. In a sense Mr Smith is right.

now-investing, retooling, im more impressive profits re-

more reliance than GM on out-

At the beginning of this year,

however, this strategy appeared to change. As shareholder pressure mounted against the costs of defending GM's market share, Mr Smith decided to accelerate plant closures. He made clear to analysts that return on capital would be his dominant objective—even if this meant losing market share. To rub it in, GM announced its gargantuan investment pro-gramme was essentially complete and promised to spend a high proportion of its cash flow on buying back its own stock, instead of building new factories or acquiring companies like EDS and Hughes.

until last year, he says this is only a "near term" assessment. The longer-term market share will depend on GM's new models. These, he believes, will be the most efficiently produced and lowest-cost vehicles of their

ing to Mr Smith. staff
In the latest new generation 1971 GM treasurer

cars that are "world class competitive on cost—and in GM 1981 Appointed chairman that means number one in the

To media accounts of robots at GM's earliest high-tech plants spraying each other instead of company will need."

Cadillacs, Mr Smith's reply is But EDS, when it we curt: "I know we had our by GM, specialised in

produced even more spectacular productivity gains than GM's costly automation. While he admits that GM's joint venture with Toyota in Fremont, Callingtonia has been producing the companies has been producing the companies of these problems. With EDS fornia, has been producing the on these problems. With EDS lowest cost cars in the GM we got it all put together in one system without the benefit of spot. If we hadn't got EDS we any new investment, he is unimpressed by this.

impressed by this.

"Fremont is a very simplistic plant. They work on a handcart inventory there—a guy actually runs round on a bicycle picking things up," he says with distain.

Clearly technology captures this imagination more readily functioning impersonal committees in the way.

that the apparent change in Indeed, a schoolboy excitement strategy was no change at all. and awe come into his voice as The \$40bn GM spent on building he talks about the technological six new plants and modernising promise of his controversial 11 old ones—probably the big-gest single manufacturing in-vestment programme ever electronic collision avoidance undertaken in peacetime—had and display systems which will been seen from the start as a give GM significant competitive crash effort to be followed by a advantages in future genera-

crash effort to be followed by a period of lower investment when GM shareholders would reap their reward. The plants being closed were always due for retirement as new facilities came on stream

While he admits that the company's market-share goal has been reduced to 40 per cent, from the 45 per cent typical until last year, he says this is "doesn't build a missile, it builds a system to down enemy builds a system to down enemy aircraft." So the synergies are pretty obvious to Mr Smith. models. These, he believes, will be among the best cars in the world and he is sure they will EDS, which GM bought three

#### **Personal File**

Indeed, the much-criticised 1925 Born Columbus, Ohio mechanisation programme has 1949 MBA degree of Michigan started yielding results, accordUniversity; joined GM financial

plants in Delaware and New Jersey, automation is producing automotive and defence opera-

year ago for \$2.5bn. EDS was world," Mr Smith claims. Only about a third of the gain in cost competitiveness with Japan has been due to the falling grated manufacturing are something that eventually "every large US manufacturing

But EDS, when it was bought by GM, specialised in integrat-The learning curve had been It had no experience in enginmuch longer than expected. eering automation. "The skills "GM has still more plans for were in GM," Mr Smith admits. mechanisation and automation Former GM computer special-and they will be carried out," ists, transfered to EDS, now form the core of its factory Mr Smith is equally dismis-sive of claims that improved did GM have to buy another management alone could have company and then transfer its

Mr Smith insists, of course, than such simple solutions, mittees in the way.

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22nd June, 1987

I WAS a nervous Sir Michael Havers who took the oath on office as Lord Chancellor in the Royal Courts of Justice before the Lord Chief Justice and the serried ranks of senior judges, the new Attorney General and a sprinkling of silks and junior counsel at the bar.

Sir Michael's nerves were again apparent when sitting on the Woolsack in the House of the Woolsack in the House of Lords he was seen initially to wear the Lord Chancellor's tricorn hat back to front. Nervousness has not been confined to the new occupant of this high office, for the legal profession has itself been asking all last week, does this appointment indicate a change in the politico-legal aspects of contemporary Government?

While Sir Michael has been

While Sir Michael has been a very popular figure within the legal profession nobody—least of all himself—would regard him as a legal luminary. His talents as Attorney General have been more in sound politi-cal judgment than in legal brilliance and he has shown ability of judges and lawyers to political courage in the face the political climate of the day, of some public hostility towards the profession had hoped that his decisions and actions.

Lord Hailsham's successor His appointment to the

vice but also reflects the modern practice of Prime Ministers appointing Lord Chancellors on the exclusively political grounds. Since the Second World War the common pattern has been to appoint a lawyer who has been an MP.

lawyer who has been an MP, Solicitor-General or Attorney-General or even served as a Minister of the Crown.

It was Robert Peel, who said that it was unlikely that the man chosen on political grounds to hold the Great Seal would not be of the highest trading and eminence in the standing and eminence in the profession

some, but not all of the post war Lord Chancellors could claim to qualify according to the Peel criteria. Lord Hailsham, amply satisfied that criteria. He had been active in the Conservative party for the Conservative party for over 30 years, an MP from 1938 to 1950 and from 1963-1970. In the interval he sat in the House of Lords as a Conservative peer and after 1956 held various offices in Government. His elecoffices in Government. His elec-tion for the office of Lord Chancellor in 1970 and again since 1979 attracted the un-qualified confidence of both Bench and Bar although in the last year or so the relationship had become strained as pol-tical considerations, superred itical considerations appeared to dwarf the Lord Chancellors expected role as Protector of the Judiciary and the legal

profession.
Given this new found vulnerwould continue to match the Woolsack is not only just Peel model. In that way it was reward for governmental ser-expected that the profession

# Anomalies of a high office would be spared the colder a creeping bureaucratic mag-winds of change blowing from netism. Lord Hailsham had Justice Butler Sloss (Sir Westminster and Whitehall. shown his keenness to round off Michael's sister) are known to

Paradoxically, however, the profession may find that the new Lord Chancellor will serve its interests rather better than might have been predicted. Earlier this year, Lord Hallsham had issued a consultative paper. Civil Justice Review, a docu-ment which sent shivers through the judiciary and most practic-

ing lawyers.

The main thrust of the review was a proposal to simplify the process of civil litigation by a merger of the County Court and the High Court into a single means of access to law. Whatever its intrinsic merits, the proposal was perceived as a takeover bid by the bureaucrats in the Lord Chancellors depart-

ing his department's proposals which have his own special imprimatur on them. Sir Michael Havers has had little say in the production of the civil justice review and is certainly uncommitted. His leanings will be to placate the judges and lawyers by dropping the whole project although the

the whole project although the clear need for substantial changes in civil litigation will call for some, perhaps less ambitious scheme. bitious scheme.

with family problems.

In a Conservative administration which is engaged in radical Government, the legal profession may in fact welcome the Head of the Judiciary seeking to exercise judicial functions in the Appellate Committee of the House of Lords a function which Lord Hallsham performed not infrequently as other demands on his time permitted, and instead defaulted. mitted, and instead defending in Cabinet and Executive Government, the vital interests of the legal profession.

If this is the trend the time If this is the trend the time may come very soon for the Government to reflect on the anomaly of the office of Lord Chancellor under a traditional theory of the separation of powers, where in fact the Lord Chancellor combines the three functions of government—judical areautive—and legislative in the Lord Chancellors department from the judges and court administrators of the whole disposed to opt for the family anomaly of the office of Lord Chancellor under a traditional full time out of London and to lengthen the court room hours of sitting were taken as signs of the sitious scheme.

Sir Michael might feel more Government to reflect on the anomaly of the office of Lord Chancellor under a traditional theory of the separation of chancellor combines the three functions of government—judicial, executive—and legislative.



# There is no alternative

3 0

duced a solution for this

delicate London site that is

ingenious, elegant and practical.

It also manages to provide elements for the opera house,

like the reinstated portion of the Floral Hall and a "double-

helix" staircase that will be memorable and dignified. I

have written before about their

proposals when they were pub-licly exhibited earlier this year.



But this not the British way, and not by any stretch of the imagination likely to be Mrs Thatcher's way. Her Govern-ment has made it quite clear that it is not going to be signing many cheques for the arts—
the spirit of self belp and
private enterprise has to
penetrate the soft underbelly of State subsidy—in the arts as everywhere else.

Take the long running saga of the Royal Opera House, It struggles on nobly in the mid-19th century buildings designed for it by E. M. Barry, which are by any standards awkward, inadequate and in need of substantial refurbishment. The auditorium is, however, a wonderful place for music—the faded plush and gilding approriately redolent of galas and in substantial pageants.

To match the facilities of the major European opera houses Covent Garden needs new side and rear stages, new storage, new studios for the ballet—not to mention improved areas for the public. In the 1970s the Labour government provided the two acres of land between the opera house, Bow Street, Russell Street, the Piazza and James Street for future development but provided no

vegetable market made all sorts of new developments possible in the area and in 1982 the

onal File

Pastiche reconstructions and an awkward amphitheatre are among the alternative proposals for Covent Garden produced by the Community Association.

To complete their present proposals to bring the opera house up to scratch the Royal Opera House Development mittee in February this year and have now been revised for reconsideration at the end of this month.

Enormous trouble was taken to find the architects who could Board has already submitted to the City of Westminster detailed proposals which were con-sidered by the planning com-fulfil a demanding brief that in the area and in 1982 the would not only satisfy the needs Royal Opera House was able of the opera house but find ways to complete Phase One of its of providing an appropriate way

proposais will certainly be looked at. I would like to look at them in architectural terms. They are unbelievably thin. A careful comparison with the intricate work of Jeremy Dixon in fact makes them look sadly amateur and ill-conceived. They met by more innovative financing — single property weighted against the costs of the opera house improvements leaves a gap (at the costs of the opera h propose the total reinstatement of the Floral Hall complete with its dome that burned in 1958, and a outdoor amphitheatre and campanile that are just token efforts at a sub-Italian populism.

or how it could help to fund the improvements to the opera house. It is time that organisations like this realised that they have to be able to demonstrate effectively that their alterna-tives are viable. It is noticeable that the Jubilee Hall scheme which the Community Association architects have themselves designed, also depends for its viability on the marriage of commerce and com-

munity uses. The objectors are right to point out the undesirability of a 300-car underground garage that has been demanded by Westminster as part of the opera house scheme, but there is a need for the 1000 or so workers at the opera house to have some parking, particularly They have now been revised for those working unsocial and can be seen throughout hours. They are also right to June (Monday to Saturday, try to have improved links with 12.30 to 7.30 pm) in the James the Tube station, but who will Street building of the opera pay?

to complete Phase One of its long term development plan of adding some commercial with the rehearsal room block of more of adding some commercial with the rehearsal room block of adding some commercial with the rehearsal room block of adding some commercial with the rehearsal room block of adding some commercial with the rehearsal room block of adding some commercial to it is necessary to look at the again because everyone designed by the architects chosen, Jeremy that succeeds in making it look as though Barry had designed it in the first place. Design Partnership, have pro-It is easy to come up with

ing — single property unit trusts or other forms of public shares that would show a profit for those prepared to in-

Clearly Westminster will have to insist upon a legal What the Community Association has failed to do is to show are found to complete the dehow its scheme could be funded or how it could help to fund the Westminster grant planning consent and the scheme is seen to be a reality. Sir Claus Moser has said that unless the funds are secured by October, 1988, none of the scheme will go ahead. That would be a tragedy.

Once planning permisison is given on June 30, and I am sure it should be, the architect can still refine and improve his scheme and indeed, things like scheme and indeed, things like the car park he resolved. But until planning consent is forthcoming funding cannot start and further delays would be both undesirable and unnecessary. It is time reality intervened in Covent Garden. It is time the Piazza was completed and Dixon's designs do this well. His offices are not monolithic hulks although his new entry towner. although his new entry towner on the corner of Russell Street needs refining and in general terms his whole architectural although his new entry tower

#### Eisler/Almeida Theatre, Radio 3 & BBC 2

#### Andrew Clements

The climax on Saturday of one strand of the current Almeida Festival also took the The Covent Garden Community Association is a successful activist group which did a lot (but by no means everything) to secure the future of the removal of the market and the removal of the market and the defeat of the horrendous proposals of the then GLC. The Association is due soon to attend a meeting with the opera house to be chaired by Sir Claus Moser, when its proposals will certainly be looked at I would like to look at them in architectural terms. They are unbelievably thin. A careful comparison with the intricate was a summary of the control of the son to a strength of the summary of the provided capital funds for improvements. The balance seems, in the present climate to be a reasonable one.

The financial by M.

Mitterrand.

It is worth emphasising that of the opera was relayed on Radio 3, and the second half carried by interest and the second half carried by interest the first time. Its programme celebration to the opera was relayed on Radio 3, and the second half carried by interest the first time. Its programme celebration to the levision for the first time. Its programme celebration to the opera was relayed on Radio 3, and the second half carried by interest and the remaining 39 per cent for offices and the remaining 39 per cent for offices and the almeida as an annual platerous capital funds for improvements. The balance of the centrality of Eisler's achievement to this year's may also took the first time. Its programme celebration to the opera and the second half carried by it he increasing importance of the Almeida as an annual platerous form in London for 20th-century music of all persuacions, the exposure also under all and as an example to the so-styled "Third Viennese School" of Schwertsik and Gruber.

Schwertsik and Gruber presided over this survey. best conductive many and as an example to the so-styled "Third Viennese School" of Schwertsik and Gruber presided over this survey. best conductive many and as an example to the so-styled "Third Viennese School" of Schwertsik and Gruber provide

in Gruber's case, as the even-ing's "chansonnier." Those already resistant to his self-consciously arch performing style (for which his own Frankenstein!! is the ideal vehicle) might have been dis-turbed by Gruber's annexation of songs that can bear a per-fectly straightforward delivery. The range of Eisler's work represented was wide, from the early Pierrot Lunaire-like Palmström, through the political parables with a variety of authors in the 1920s and early 1920s and 1920s an 1930s, and on inevitably to the fruits of the long-lasting collaboration with Brecht, yet each facet was given a distinct and highly effective colour; there was never any doubt that this was a sincere act of homage on the part of the performers.

Though Brecht's massive influence seemed to pervade every aspect of the evening, his texts aspect of the evening, his texts appeared in only four of the songs, but those did form emphatic and natural high-points: "Bei der Kanone dort" and the "Kälbermarsch' from Schweik in the Second World War, and the magnificent "Die Ballade vom Wasserrad" and "Lied von der belebenden Wirkung des Geldes" from the

pecularly Viennese composer, tically liberal (he could never responding as instinctively to the poetic demands of a text as Schubert, happy to let popular idoms lie alongside songs in which tonality is, if not abandoned, at least put into

abeyance. How far the programme went to convince the sceptics of Eisler's significance in the history of 20th-century music I can't, as an enthusiastic convert already, judge objectively. Certainly the BBC presentation made an attractive package, with short documentaries on the short documentaries on the Almeida's Viennese theme and Eisler in particular placed around the concert relay. The performances too were winningly idomatic, with marvellous solo playing from the members of the joint ensemble in both the songs and the orchestral suites from the films Niemandslied and Kuhle Wampe which closed each half. A memorable and invaluable A memorable and invaluable evening.

Kurt Schwertsik was born in Vienna in 1935, and in 1959, with his fellow Austrian the composer Friedrich Cerha, he founded the contemporary music ensemble called "Die Rehe." In the following years of the 1960s and the early 1970s he became identified with the German neo-romantic movement—that late flowering in Germany (delayed for some 40 years by the overwhelming in-fluence of Schoenberg in particular and the Second Viennese School in general) of the inti-mate, light-hearted neo-classi-cism of Poulenc and Milhaud, and also perhaps (further de-layed for some 60 years) of the dry, acerbic fantasy-world of Erik Satie.

The most pervasive qualities of the concert devoted to his work by the Almelda Festival last Friday were good nature, good humour, transparent sin-"Lied von der belebenden cerity, and a great quantity of measure wirking des Geldes" from the mid-1930s. The rest seemed designed to show Eisler as a wiry, nostalgic, vegetarian, poli-

have cohabited artistically or politically with Cornelius Cardew for longer than the half-dozen years he managed in the 1960)s, intelligent, anti-authoritarian, widely-read, and deeply in love with tradition.

One couldn't fail to respond to the Cinq chansons cryptiques to texts by Satie (on this occasion sung by the composer, accompanied on the plane by the soprano Christa Schwertsig, the soprano Christa Schwertung, his wife: the duo was more commonly the other way round), or to the tiny Transformation scenes for instrumental ensemble, taken from the opera which Schwertsig wrote for Stuttgart in 1982, Das Marches and Englischen Marchen von Fanferlieschen Schonefusschen—delicious little commentaries, delicate, ebul lient, exquisitely scored, and beautifully played in this concert by the instrumental semble Circle.

There was nothing in the programme one could object to, even puzzle over—and I mention this without the least pelorative or cynical overtone. Everything or cynical overtone. Everything was lightness, and ease, and serious, delicately pointed nostalgia. Peter Altenberg's (the same poet who inspired Alban Berg's Altenberg Lieder op. 4) marvellous, bittersweet poetical invocations are quintessential invocations are quintes-sential Schwertsig material— and his settings of Altenberg's Gedichte an Lluba, culminating in Hanns Eisler's solitary setting from the cycle, which Schwertsig designed his own contributions to "lead up to, in the musical as well as the poetical sense," are a muted and quietly arresting homage. His Nachtanz-a brilliant collage for instruments that is almost pastiche, but never quite as obviously derivative as one has a right to expect-was the evening's finale: at one gay and solemn, shot through in every with melancholy

**Dominic Gill** 

#### Jews in Germany under Prussian Rule

#### Jackie Wullschlager

Hindsight plays many tricks, and memories of the Holocaust have tended to cloud how closely German and Jewish interests once resembled one another. A mainly photographic

exhibition, Jews in Germany under Prussian Rule (to July under Prussian Rule (to July 19) comes at the tail end of the Festival of German Arts, and manages, in three smallish rooms at the Warwick Arts Trust Gallery, to hop across centuries and national borders, throwing up a plethora of new historical parallels and paradores

sense of identity lay troubled underneath. For hot on the heels of Jewish emancipation in 1869, German national unity in 1870 seemed to imply a new mood of tolerance; who could have guessed that, within a single lifetime, Jewish disabilities and German division would be back with such vengeance? Following the large black and white panels from medieval white panels from medieval pogroms through assimilation to Nazi genocide, it is the photographs, sketches and cartoons that do the work of cultural autobiography. The 19th century is at the heart of this exhibition, and like a class of school-leavers it niles up its school-leavers, it piles up its alumni — whole boards of Jewish doctors and lawyers, teachers and bankers.

In our own century, it is the scientists and artists who catch the eye. Einstein, bemused, stares out from his study; a young Klemperer meets Stra-vinsky in Berlin; a flamboyant poseur turns out to be the cabaret and theatre director

Max Rheinhardt. What they shared—and the mostly rigid stances, the self-definition achieved through an austere professional image, makes this clear—was a subaustere professional image, acorpse makes this clear—was a subscription to the material and cultural life of imperial or Weimar Germany. Few, how the Nazi era came about. Weimar Germany. Few, how the Nazi era came about, perhaps, had got there by its last shocking scenes still Heine's desperate ticket of leave us finding it hard to admission, the haptismal certifathom. Takyo Sympheny Orchestra conducted by Kaznyoshi Akiyama with Midori Gotoh, violin: Strauss, Prokofiev, Brahms, Schönberg. Tokyo Bunka Kaikan (Tue) (3626784; 8247003).

ficate, but most would probably have agreed with the old French lady who, when asked why she did not convert, replied: "J'ai trop peu de religion pour en changer." Assimilation was their faith, and most were too far down its

line even to consider Herzl's alternative, Zionist path. In general, this is a painfully honest exhibition, but to my mind it falls short of showing historical paralies and dozes.

None is more striking than the bonded fates of German Jewry and German nationhood. On the crest of an industrialising wave in 19th century belong that made even a Rothschold fawn on Bismarck in the Red Eagle in a form the Red Eagle in a form the cross at the base-for Jews. Success induced a sense of safety from within, rancour from outside, and the downward spiral was assured. the comparative lull of the 1920s, it is refreshing to turn to another broad canvas, the minority of Eastern European emigré Jews who lived worlds away, though just round the corner from Berlin's fashionable Alexanderplatz, in the "Scheunenviertel."

This is a more cosy version of the family album, compiled on the street rather than in the drawing room. Packed together with Hebrew shop signs, Jewish restaurants and synagogues, and apparently oblivious of the camera, are rabbis in full traditional dress, grizzled old men, children both charming and disgruntled. Ten years on, this world has vanished, and the children

emerge wearing yellow stars.
Early warning signs, like the
assassination of Walter Rathenau as he broke into the ranks of high public office, are well documented here, but the final atrocities are condensed into four sparing images, a corpse

#### Saleroom/Antony Thorncroft

#### Good news from Monaco

There were some good omens approaching those of Old Master for the British Rail Pension paintings, which remain comfund, which disposes of its col-paratively low. lection of Old Master prints at Sotheby's next Monday, from Monaco over the weekend. Another important collection, the Old Master drawings of Dr Michel Gaud, came under the hammer and made £1.287,000, slightly above forecast and with only 10 per cent unsold.

The drawings were by Italian masters and dated from the 14th to the 17th centuries. The top to the 17th centuries. The top price, paid by a Swiss collector, Festival Crchestra conducted by Gerard Schwarz. All-Mozart programme (Wed); Haydn, Mozart, Beethoven (Thur). Kennedy Center (2543776). Sodoma, drawn in 1535, for 188,800. A drawing of the Last Supper by Agostino Carracci fetched the same sum.

Sotheby's also offered Old Master paintings, for a total of £3,384,400 and 17.5 per cent unsold. It is quite extraordinary how the price of Old Master drawings, and to a fesser extent Old Master prints, are now £35,520.

The highest price was the £488,400 paid for a rural scene by Fragonard. It went to a

Swiss Gallery at the bottom end of its estimate. An attractive picture of a young servant try-ing to prepare a meal and fend off the attentions of a greedy cat, which carries the monogram I. F. and the date 1635, was double its top estimate at \$233,100. A London gallery bought a scene at the Palais Royal depicting a fine lady pur-chasing a rose fro ma flower girl by Marchel Garnier for £210,900, also way above

Perhaps the most successful sale was architectural drawings, a hot market at the moment. A plan of the gardens of the Petit Trianon, Marie Antoinette's jeu Gesprit at Versailles sold for 642,180, around three times forecast, and a project for the facade of the Chateau de Meudon by Le Vau made

# David Bedford 50th birthday/Spitalfields Church

#### Paul Driver

David Bedford was prominent a piece, Seascapes, originally during the 60s and early 70s as a composer with a line in gently controversial avant-garde techniques and memorably odd titles (eg Star Clusters, Nebulae by Doying professional instrumentalists and Chord sequences. But the longer Sextet for five winds and piano, receiving its UK première, was a structure of the complex and visual. State the complex and visual and its non perture sicily.

Antony Thorncroft

Antony Thorncroft

It is time to blow the whistle on rock concerts at Wembley his act complex and visual. Statements and chord commissioned by the Scottish for five winds and piano, receiving its UK première, was a structure of the complex and visual. Statement and visual and piano, receiving its UK première, was a structure of the complex and visual. Statement and chord commissioned by the Scottish sequences. But the longer Sextet for five winds and piano, receiving its UK première, was a structure of the complex and visual. Statement and chord commissioned by the Scottish sequences. But the longer Sextet for five winds and piano, receiving its UK première, was a structure of the commissioned by the Scottish for five winds and piano, receiving its UK première, was a structure of the commissioned by the Scottish sequences. But the longer Sextet for five winds and piano, receiving its UK première, was a structure of the commissioned by the Scottish sequences. But the longer Sextet for five winds and piano, receiving its UK première, was a structure of the commissioned by the Scottish for five winds and piano, receiving its UK première, was a structure of the commissioned by the Scottish for five winds and piano, receiving its UK première, was a structure of the commissioned by the Scottish for five winds and piano, receiving its UK première, was a structure of the commissioned by the Scottish for five winds and piano, receiving its UK première, was a structure of the commissioned by the scottish for five winds and piano, receiving its UK première, was and Places in Devon, A Horse, His Name was Hunry Fence-wover Walkins) who also in-volved himself with the world and school singers, and four of the movements are in fact com-posed by children on the para-digm of the preceding moveof pop-music, performing in The Whole World band and doment by Bedford. Thus the movements entitled "Waves," ing arrangements for Mike Oldfield and others. Over the years his interests have con-"Ice," "Mist and Snow" and "Storm" all came twice, and it entrated increasingly on educational music (he has centrated was striking how in each case the child's version was much the more vividly onomatopoeic. written numerous school operas) and his style has mellowed into something tonal Bedford's choral writing in the three shanties and a song that are part of the scheme was and systemic and curiously bland. On Saturday, as part of dreary and old-fashioned soundthe Spitalfields Festival, the Endymion Ensemble promoted A silly and jolly piece from and performed a 50th birthday celebration concert of his music,

1971 in which the children did things to balloons (Balloon Music) came next—the scrap-ings, hissings and explosions resembled an early work by including the Symphony for 12 Musicians which was a Spital-fields commission of 1986 for the Endymions, and a couple of Penderecki mounted on a happily low budget. The first his educational pieces conducted Four Greater London schools were involved in the latter. Bedford went into schools in Barnet, Camden and Pinulico in preparation for this concert to work with groups of children on

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talists, school instrumentalists and its pop gestures sickly.

#### T. S. Eliot in the West End

Let Us Go Then, You and I,

Studio of the Lyric Hammer smith, the production was reviewed in these pages by Martin Hoyle, who favourably noted such contributions as those of Mr Gough as Prufrock and Mr Fox in The Wasteland.

an anthologised reading of works by T.S. Eliot opens at the Lyric, Shaftesbury Avenue, tonight for a four week run. Based on Peter Ackroyd's biography of the poet, the linking narration will be read by Joan Bakewell, the poetry by Edward Fox, Eileen Atkins and Michael Gough. Originally presented with success at the

#### English mid-summer weather accompanying David Bowle on Friday—chilly, wet, and cheerless — was an unavoidable dampener, but there must come a time when the fans realise

that paying good money not to see their idol is a nonsense. For a performer like David Bowle it is more than a non-sense: it is a tragedy. Bowle is charismatic but when reduced to the size of a thumbnail, for that majority of the audience viewing him from several hundred yards away, he comes over as about as charismatic as a whitlow. As an aide-memoire of what the man is like—and he never

with very bad synchronisation between sound and vision; the other only came into action half-way through the concert and was dark and tired-looking.

#### **Antony Thorncroft**

David Bowie/Wembley Stadium

who descended on to the stage from a white spider which hovered overhead (this is the Glass Spider tour) and who for over an hour completely got in the way of the singer by lying on their backs and wiggling their legs in the air; performing julitsu; and acting out with him the dubious story lines of his songs, as in "China Girl." There was no way these irritating, and hadly performed, antics could be deciphered by viewing the stage, so it was back to big screen gazing.

When Bowie returned from a costume change—off with scar-let suit; on with silver number the man is like—and he never let suit; on with silver number changes, permanently frozen at complete with nappy effect—around 1977—there are giant screens which, inevitably, command the attention. One screen diately bound up in ropes for transmitted a fuzzy image that "87 and Cry," but, after securlooked as if it was being ing his freedom, he dashed beamed from South America, through some of his best numbers. bers—"Let's Dance" and "Modern Love"—backed just by his proficient band in which Peter Frampton featured. By now things were beginning to

an early bath. I am sure that in a compact setting I would have been caught by the Glass Spider. There is some effective horse-

play when Bowie is manhandled by the troupe, and his voice has lost none of its penetrating guile. He still seems obsessed with banal sci-fi hocus-pocus in the incompetent attempt to add some theatrical commentary to the performance but the man himself delivers. He said how nice it was to be back home after four years. It is a pity that his muti-millionaire status forces him to maximise a visit by milking money-making, but joyless, Wembley.

Needlework sale A collection of English needlework, including the Penn Family purse, thought to have been made in the mid 17th century for Admiral Sir William Penn, will be sold by Christie's, South Kensington, tomorow at 2 pm, and not today as reported in Saturday's Financial Times.

# Arts Guide

Music/biondey. Opera and Ballet/Tuesday. Thestra/Wednes-day. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

June 19-June 25

#### Music

issues free

Granada's Festival includes this week Tolbuhin Chamber Orchestra con-ducted by Dapov and Sophia Madri-gal Chorus conducted by Kralev with a two day programme; Mon-day, Purcell, Vivaldi, Respighi and Ramon Roldan Samiñan. Tuesday: Corelli, Vivaldi, Tekmann, Bach, Haydn, and two premieres by Jose Corelli, Vivaldi, Telemann, Bach, Haydn and two premieres by Jose Barrera and Fernando Sor. Auditorio Manuel de Falla. Wednesday: guitar concert by Flores Chaviano: Lauro, Ardevol, M. Ponce, Chaves, Cinsaterra and Viallobos. Thursday: concert by José Maria Pinzolas: Albeniz's Suite Iberia' (Homage to Rubinstein). Both concerts at the Patio de Arawanes.

#### ITALY

Florence: (50th Maggio Musicale): Tea-tro Commale: Zuhin Mehta conducting Haydn's Creation with so-loists Kathleen Battle, Gosta Win-bergh and John Tomiliacon (Sat, Sun, Wed, Thur). The Orpheus Chamber Orchestra with violinist

#### Schnittke, Stravinsky (Wed) and Vivaldi, Brahms (Thurs). (2779236). Milen: Testro alla Scala: Wolfgang Sawallisch emducts Mozart's Sym-phony No 20 in D major, Richard Strauss's Don Giovanni and Shosak-ovitch's 5th Symphony (Sun)

(80.91.28)ione: Villa Medici Festival (Accademia di Francia, Piazza Trinita del Monti 1). Andrew Davies conducting the Santa Cecilia Orchestra in Re-

ling's Le Corsair Overture, The Death of Cleopatra and Harold in Italy – Symphony No 15, with solo-ists Felicity Palmer and Bruno Giz-ranna (Sat) (87611). Spoleto: (30th 'Two Worlds' Festival): Teatro Caio Melisso: midday concert

(Thurs) (40265) ermoneta (40kms. s.e. of Rome) 23rd, Pontina Music Festival: Castello Caetani: Prater Ensemble Wind Octet playing Beethoven, Mozart and Schubert (Sat). Info: (40251-Latina).

#### LONDON

Philharmonic Orchestra con-tor Andre Previn with Anne-Sophie Mutter, violin. Beethoven, Pro-kofiev. Royal Festival Hall (Tue: Wed - all Beethoven). (928 3191).

#### hilharmenia Orchestra, conductor Francesco d'Avalos, Anne Evans, soprano; Wagner program can Hall (Tue) (638 8891). Every Good Boy Deserves Favour — Tom Stoppard and Andre Previn's piece for actors and orchestra. Eliza-beth Hall (The, Wed, Thur).

Vladinsk Ashkenazy: piano. Schubert, Schumann. Royal Festival Hall

andon Symphony Orchestra conduc-tor Michael Tilson, Thomas: The Gerahwin Years, Barbican Hall **NETHERLANDS** 

msterdam, Concertgebouw: Leonard Bernstein conducting with Helmut Wittek, boy soprano. Schubert, Mah-ler (Wed, Thur) (718345). materists, Paradiso; the Asko En-semble conducted by Peter Ectods with Teco Kooistra, cello. Ligeti, Ectods, Carter, Torke (Mon) (211).

#### TOKYO

Japan Symphony Orchestra, con-ted by Shuji Tanaka with Kotaro 10, piano: Bernstein and Gersh-1. Tokyo Bunka Kaikan (Mon)

#### **NEW YORK**

(234 5911).

pilliard Concerts (IBM Gallery); Con-cert Brass Ensemble perform music for bress ranging from the rensissance to contemporary music (Wed. 12.30). 56th & Madison.

span Philharmoute Orchestra and Shin-Yukai Chorus conducted by Neoto Ohiomo; alto samphone Ken-ichiroh Mutoh. Setie, Glazunov,

Ravel. Tokyo Bunka Kaikan (Wed)

Cambridge Bushers: Bach, Vivaldi, Mozart. Toshi Centre Hall, Akasaka (Thur) (5458348).

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Monday June 22 1987

# The inner city bandwagon

A BROADLY based programme for promoting the revitalisation of the inner cities is likely to feature strongly in the Queen's Speech on Thursday, The Prime Minister herself will chair a special cabinet committee Minister herself will chair a special cabinet committee whose purpose is apparently to manage a campaign that is beginning to look like almost as much of a priority for her third term of office as the reduction of inflation was for her first. Evidence of the Government's new found anthusiasm for such new-found enthusiasm for such a programme is emerging from almost every department of state. The Department of the Environment, under Mr Nicholas Ridley, will command the lar-gest budget, to be devoted in gest budget, to be devoted in part to the existing urban programme and in part to the establishment of new non-elected urban development corporations. The Department of Trade and Industry will be received. or trade and industry will be responsible for job creation, using the task forces established by its new minister, Lord Young, when he was at the Department of Employment.

The Department of Employment.
The Department of Employment will have its own role to play under the telegenic Mr Norman Fowler. At the Department of Education Mr Kenneth Baker is promoting his new programme for schools to opt out of local authority control out of local authority control as part of a strategy whose purpose is to free the people from the shackles of life in urban ghettoes. Even the Home Office has found a seat on this brand-new bandwagon. Its minister, Mr Douglas Hurd, stressed in a speech to the British Security Industry Association last week that there was a "clear connection between clear connection between the fight against crime and our proposals for a reform in education, housing and job

#### Three doubts

Such indications of good intent are to be welcomed, par-ticularly by those who cast doubt on Conservative "com-passion" during the election campaign. The merits of the overall strategy have, however, yet to be proved. There are three principal areas of doubt. The first is that much of what is being done could be construed as a means of by-passing local authorities, thus avoiding the painful conundrum of how to reform them. If schools, housing and urban development haps better placed than any of its predecessors to improve

Whitehall, the disadvantages of whitenall, the disadvantages of government by bureaucracies responsible to nobody in particular may eventually overshadow any early progress made by direct intervention. The risks are all the greater when several departments are doing the lob at once. doing the job at once.

doing the job at once.

The second doubt arises from the Government's ideological distaste for "dependency" and its consequent commitment to reduce the number of people who must be given state or local authority assistance. The primary aim is in itself one that can only be applauded. Just as until now more people have become homeowners, or small shareholders, so in future the greater the number of individuals who are enabled to create their own small businesses, or to become selfnesses, or to become self-employed or to take retraining employed or to take retraining for available jobs, the better. After all, the expansion of choice — in housing, schools, and elsewhere — is a part of the philosophy upon which the Conservatives stood for re-election and won. What is not election and won. What is not so clear is whether the Government fully appreciates that large numbers of people are unlikely to be turned into self-reliant individuals, however much effort is put in by the departments of state. There is departments of state. There is a population of permanent or semi permanent dependents that includes the old, the disabled, and the sick — and also the badly educated and the long-term unemployed, particularly those aged 50 and over. It is here that the third doubt arises. It has become fashionable to deride extra expenditure in these areas as "throwing money" after a problem that cannot be solved in that way. Experience suggests that this is largely sobut that it is not the whole story. Those who remain

story. Those who remain dependent will become increasingly costly, particularly as the old become the very old. Programmes designed to lift large numbers out of dependency may usefully draw in private capital (as in the Housing Corporation's programme or in London's programme, or in London's Docklands, or the City Technology Colleges) but success is likely to depend upon a suffibe managed by of its predecessors to improve Whitehall-appointed corporathe inner cities, but it cannot tions or worse, directly from be done on the cheap.

# Gatt disciplines under strain

EUROPEAN Community and the weak dollar will lead foreign ministers are today due Japanese companies to divert to endorse an extension of the Community's anti-dumping rules to products manufactured in Europe out of cheap imported components. The cision will be seen as further evidence of the way in which the EC has lost patience with

Japan this year.

The commission insists that its new anti-dumping rules are not directed against Japan in particular but they have aroused considerable anguish in Tokyo. Lumping them together with other measures now on the Brussels agenda creates a clear impression that EC frus-tration with Japan has reached clear impression that EC frustration with Japan has reached the point where it is prepared to stray into areas that are at the part least 'grey' in terms the very least "grey" in terms of the General Agreement on Tariffs and Trade.

These other measures include a threat to impose discriminadiverted to Europe as a result launched last September. The of US trade sanctions and a claim for compensation for the compensation for diverted to Europe and a claim for compensation for the increased access Japan has gained to Spanish and Portuguese markets as their tariffs were cut following accession

In neither of these those on which the EC is now those on which the EC is now the support of the second that its approach conforms with the Gatt. That depends on interpretation and the EC case, which appears weakest in the case of retaliation against diversion, can be argued both

#### Growing deficit

Shifts in trade policy often appear initially as a matter of nuance. The EC has, however, long claimed that what set its approach to Japan apart from that of the US was that it stayed within the Gatt whereas the US felt able to ignore such the US felt able to ignore such constraints. Now this approach seems to be shifting. Instead of respecting the spirit of the Gatt, the EC is more concerned to maximise the benefit that accrues by interpreting the rules to its own advantage.

It is easy to understand why this shift has taken place. Europe has to contend with a growing deficit in its trade with Japan which last year totalled Lome \$21hn (£12.8hn). It has much if the Uruguay Round fails. In its dealings with Japan the commission should remember that success in Geneva depends on all members of the Gatt re-

sales to Europe. Even where the EC has had

recourse to the Gatt as in the case of Japanese discrimination against imported alcohol, pro-gress has been very slow and so far yielded no concrete result. There is also no denying that Japanese business practice includes a host of niggling trade barriers (such as higher insurance charges on imported cars which is due to be raised at bilateral trade talks next month). It is proper that pressure should be unremitting on these points. This

respected.
This is all the more true after last week's Gatt secretariat report that protectionism has increased markedly since

embarked will up much anything to correct its trade imbalance with Japan. Not only is the Nakasone administration weak politically; its main trade preoccupation is with the US not Europe and its large trade surplus is due to fundamental factors which cannot be put right by a small but pernicious increased dose of protection. There is a temptation for the EC, which more often than not is caught in the middle of arguments between Japan and the US, to succumb to the belief that blunt pressure attracts attention and brings a more positive response. The US itself has not achieved much in praction from educating this

oren the Japanese market for on all members of the Gatt re-its exporters. Industry is wor-risd that US trade sanctions rules.

CITY OF LONDON REDEVELOPMENT

# This time, it's not a monster

By Colin Amery, Architecture Correspondent

IT was May Day 1984 when the public inquiry began into Mr Peter Palumbo's long-standing proposals to build a tower by Mies van der Rohe on an acre of land opposite the City of London's Mansion House. The inquiry was long and expensive. The Prince of Wales's intervention describing the scheme as "a glass stumb the scheme as "a glass stump more suitable to Chicago" seemed to sum up the general seemed to sum up the general view. The inspector's report, a masterly and balanced document by Mr Stephen Marks, left the door open for a different kind of office development in the future. Although the minister saw the value of the listed buildings on the site it was his considered view, expressed in a letter accompanying the report that a new panying the report, that a new building of sufficient architec-

tural quality could be permitted. His exact words are important. "He did not rule out redevelopment of this site if here were acceptable proposals for replacing the existing build-ings. He does not consider that the buildings are of such over-

the buildings are of such overriding importance that their
preservation should outweigh
all other considerations."
That future date has arrived.
The City's planning and communications committee meets
tomorrow to give or withhold consent for Mr Palumbo's latest It is a triangular site, bounded proposals. It is a crucial test of the conservation versus development debate in the City, at a lines on it at present form a time when shortage of office space is pushing rents ever higher.

palambo's current described at the public inquiry in 1984 by Mr Ashley Barker, from the Mies van der of English Heritage (the class tower. The new Historic Buildings and Monumers of Commission for proposals are different indeed from the Mies van der Rohe glass tower. The new building is designed by Mr James Stirling, one of the most famous of contemporary British architects. His Turner wing for the Tate Gallery opened earlier this year and it is the architectural quality of his scheme that is on trial.

PATER PALUMBO will not receive planning permission for his office redevelopment. Not yet, at least. He is in a planning straitlacket.

straitjacket.
Tomorrow the City of London planning committee may recommend that his plan goes ahead. That is doubtful. The Common Council of the City—all the elected members of the Corporation—may agree. That is equally doubtful.

But even assuming that Mr.

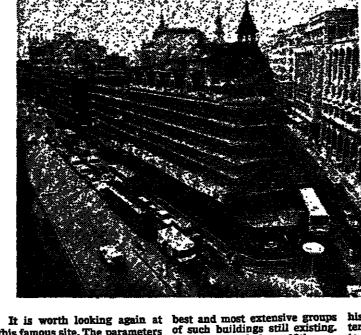
But, even assuming that Mr Palumbo clears those two hurdles, English Heritage has to agree to the demolition of the listed buildings that ment possible. It is known to be against such demolition.

If the planning committee

rejects his proposals, Mr Palumbo can appeal to the Environment Secretary. If English Heritage refuses per-mission for demolition, he can

do the same.

In short, another public inquiry seems likely. But it would not be a repeat of that which, in 1985, led Mr Patrick Jenkin, then Environment Secretary to turn donment Secretary, to turn down an



or such billings star existing.

Some eight of these 19th century buildings are now listed.

What are the particular qualities of these listed buildings? ties of these listed buildings? Much of their charm is currently concealed by a long-standing scaffolding. The most famous and, it is fair to say, best loved building, is always known as the Mappin & Webb building. It was designed by the younger John Belcher, and is an important example of the continuous and the continuous control of the continuous and the continuous control of the co is an important example of the application of the Gothic style to a multistorey office building. With its gabled entrance in Queen Victoria Street, and the corner tower with its steeply pointed roof, the block brings some of the medieval romance of Victorian commerce to the husiness and commercial archi-tecture of the 1860s and 1870s in the City of London to very good effect. They are one of the

and would it mean complete rebuilding? Is Mr James Stirling's new design in fact more panels show processions of English monarchs riding more appropriate to this site at through the City ending up with Queen Victoria opening the Royal Exchange in 1844.

There is one surviving Georgian block, one of the last reminders in the City of how things the city is known the City of how things the city is known the City is known the City of how things the City is known the City is known the City of how things the City is known the City of how things the City is known the City of how things the City is known the City of how things the City is known the City of how things the City is known the City of how things the City is known the City of how things the City is known the City of how things the City is known the City is k block, one of the last reminders in the City of how things looked before the 19th century transformation. The historical importance of

the listed buildings is princi-pally because they form one of application of the Gothic style to a multistorey office building. With its gabled entrance in Queen Victoria Street, and the corner tower with its steeply pointed roof, the block brings some of the medieval romance of Victorian commerce to the classical heart of the City.

Other interesting elements on the site include the consciously

forum?
The scheme currently before the City is known as Scheme B. There was a Scheme A that, in order to retain the Mappin & Webb building, proposed tower offices. That was much objected to because it obscured views of St Paul's Cathedral. What Stirling has designed

references. The great archway and the duality of much of the design pays tribute to the nearby City Church of St Mary Woolnoth by Nicholas Hawks-moor. This is not a monotonous monolith but a spirited yet solid

There will be many advantages for the public in the new building. Much improved entrances to the Bank Underground and at ground level a substantial stopping concourse. Some 50,500 sq ft of the deve-lopment is devoted to retailing and the total office floor space is some 135,000 sq ft. On the roof level there are gardens and a large restaurant looking on to a sheltered terrace. The current proposals have been reduced in height by one floor to allow the important view of St Paul's to be seen from Cornhill

There is still substantial opposition to such a major development in a conservation development in a conservation area with the loss of so many listed buildings. In many ways It would undoubtedly be preferable for the City to do everything in its power to encourage the demolition of all the very bad buildings built since the Second World War while fighting hard for the modest enough stock of listed buildings. buildings.

However, it is also time to add some good new buildings to the City's stock. By any standards James Stirling's design for this site is original and powerful. We all want better buildings and it is a terrible form of philistinism to terrible form of philistinism to resist the creativity of our own times. The City Fathers have allowed such monsters to be erected that one can have little confidence in their acsthetic sensibilities. The City needs good new buildings. Mr Palumbo's latest scheme undoubtedly has the potential to be one of them.

# Many hurdles for Mr Palumbo to clear

earlier set of proposals for the same site.

this famous site. The parameters

scheme is called No 1 Poultry.

by Poultry, Queen Victoria Street and Sise Lane. The build-ings on it at present form a part of the Bank of England conservation area, as extended

ments Commission for England), as being good and characteristic buildings which show the essential spirit of

the development have changed; there is no longer any Mansion House Square, the new

the same site.

There are two points at issue. One is the general conservation versus development issue and the other peculiar to the Palumbo case.

The general first. The argument over Mr Palumbo's intentions is at root the conservation versus develop-ment argument. In the earlymid 1980s the way that the City of London ought to resolve the dilemma of meet-ing increasing pressure for space while at the same time keeping intact the historic character of the traditional Square Mile was the source of anguished debate.

But that is no longer the case and has not been since the City Corporation pub-lished its Local Plan last year. This plan, dealing with the land use and amenities of the City, sought to reconcile the conservationist lobbles

• Keeping the main pressure

for development out of the core of the City.

• Making it plain that, within specified conser areas, any change would have to constitute an improvement in the appearance of a build-ing and its immediate neigh-bourhood.

The plan said there would be "selective retention and, where appropriate, improve ment by way of new develop-ment." Mr Palumbo has to convince the authorities that Stirili " appropriate."

He is not now in a posi-tion to plead that the City's economic prospects would be damaged if his 130,000 square feet of new offices is not made available—the other side of that original dilemma.

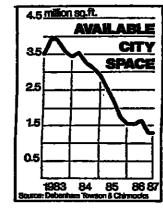
The Local Plan is not yet a statutory document but it is City policy. It is true that a public inquiry about it has just finished hearings where all the general arguments

were again rehearsed. But there are no expectations that the broad lines of the policy will be changed because of the inquiry.

The Corporation has been applying its local plan for a year. This has resulted in an avalanche of resulted in an avalanche of planning consents for new office buildings. There are 5m sq ft of offices under construction and there were planning proposals last year for nearly 24m sq ft of new offices.

Building has not yet caught up with demand, however. The amount of available space has declined and rents have spiralled to nearly £60 a square foot within hailing dis-tance of Mr Palumbo's site. But demand and supply are expected to find a balance by

"I do not regard Palumbo as a test case to respond to the needs of the City's principal ratepayers," says Mr Michael Cassidy, chairman of the City's planning commit-



tee. "But it is a test case on matters of design and taste." On the particular issues raised by Mr Palumbo's plan, English Heritage has modified its outright opposition to de-molition on the site. It wants though, to retain the Mappin & Webb building, the apex of the site, as "a cherished build-ing." "There is no reason to suppose our stance will be changed," says Mr Ashley Barker, a director.

This means that the Corporation and English Heritage are travelling on divergent paths. The focus of discussion in the City has not been Mr Palumbo's Scheme A, which would retain Mappin & Webb but Scheme B, which would replace it. The City planning committee will tomorrow consider a recomtomorrow consider a recom-mendation from its officials that Scheme A should be re-jected but that Scheme B should go abead.

Mr Palumbo, then, appears temporarily to have lost the cherished building argument without having won "the taste and design" argument. On the second, all bets on the outcome in City circles are

However the Common Council has already shown that if it does not like a planning committee decision it will overturn it. And votes there are likely to be cast subjectively on whether the councillors actually like the Palumbo designs or not.

Paul Cheeseright Property Correspondent

#### Irish play to a different tune

The Irish rugby team inadver tently caused a fuse back home during the just-completed in-augural World Cup, but not because of their disappointing

A row began when it emerged that the 15 men in green lined up for the national anthems before their opening match against Wales, pushed out their chests and stood fast for The Rose of Tralee played by James Last and his orthestra. No wonder the team went

down to an ignominious defeat, scoffed many Irish fans. Why not Paddy McGinty's Goat, Phil the Fluter's Ball, or Are You Right There, Michael, Are You Right? mocked an indignant

For all the joking, the episode touchedo the raw nerves exposed by the division of Ireland into British-ruled Northern Ireland and the The Irish Rugby Union is



"Hopeless—you can't get near for British politicians trying to kiss it"

#### **Men and Matters**

one of the few institutions ing the British before inde-which embraces the whole island, drawing on players from both sides of the political The leaders of Fine Gael, the divide. To avoid conflicts of national allegiance, a convention has long prevailed that while the Republic's anthem, The Soldier's Song, is played at matches in Dublin, none is

played at away matches.

Evidently, the World Cup
organisers required an anthem for every side participating.
Faced with this the Irish, in
the words of coach Mick Doyle,
plumped for "something totally
non-political." A debate is still rumbling in

the letters columns of the Dublin newspapers between those who sympathise with the team's dilemma and those who argue angrily that no apology need be made for The Soldier's Song and its fighting evocation of the battle for independence

The Irish Times concluded in a lofty editorial that it was time for a new anthem and an all-Ireland fiag for such sadly few occasions of unity.

#### Separate service

Another issue which frays national sensitivities in the Republic is Remembrance Day, traditionally held in Dublin in mid-fully mid-July.
This year Charles Haughey,

this year Charles Haughey, the Fianna Fail Prime Minister, has upset Opposition leaders by proposing separate services in the Catholic and Protestant churches for all war dead instead of a single commemoration at Dublin's Garden of Remembrance,

He suggested the change after complaints from some Republican quarters about last year's service. It commemorated Irish soldiers killed in British Irish soldiers killed in British in from the UK and the US, uniform in the two World Wars as well as those who died fight.

Progressive Democrats and the Labour Party all replied to Haughey that last year's ceremony was appropriate and should be repeated, despite the apparent clash of loyalties. Desmond O'Malley of the PDs

said the idea of separate ceremonies was divisive. "It tends to underline the religious divisions on this island which lead to such suffering," he said. The affable Foreign Minister, Brian Lenihan, has been asked to work out a solution.

#### Hard Knock

Knock Airport, the remote I£14m hilltop airport in County Mayo opened almost literally on a wing and a prayer last June, has had a turbulent first 12 months.

Within weeks of the opening, its founder and inspiration, the wily priest Monsignor James Horan, died while on a pilgrimage to Lourdes. Then there was

Horan, died while on a pugrunage to Lourdes. Then there was
a legal row with an airline
which was to have provided the
core services but which never
got off the ground.

To cut costs, the airport company has had to put its 24 staff
on a week-on, week-off rota and
last week terminated a £100,000a-vear, 10-year management con-

last week terminated a £100,000a-year, 10-year management contract with British Airports
International.

Early hopes of 250,000 passengers and a profit in 1987 have
clearly gone by the board. But
Knock is not about to give in
to the cynics who mocked the
"foggy, boggy" airstrip as a
certain failure.

certain failure. Sheduled flights by RyanAir now run to Luton, Birmingham and Manchester. Charters come

in Knock. A freight licence is expected soon. Local enthusi-asts, their tongues not wholly in their cheeks, call it the fastest growing airport in Zurope.

And what about the fog and

the bog?
The bog, all eight peaty feet of it, was bulldozed off the site before the runway was laid, so Knock wil not sink. The fog is dismissed as a myth. Only two flights have had to divert be-cause of bad weather in the last six months.

#### Londonderry air John Hume, MP for Foyle and leader of the Social Democratic

and Labour Party, has long had a reputation for possessing a string of top-level, Irish-American contacts. A measure of his success in

working these to the benefit of constitutional nationalists like himself was the way President Reagan and the Irish leaders of Congress sounded their full backing for the 1985 Anglo-Irish Agreement almost before it was signed.

Now the Agreement is well in place, Hume is testing the economic worth of his contacts.

A bevy of American business-men is due to visit later this year to look at investment possi-bilities in his native London-derry. In the meantime, Hume wants to open up air links to his constituency.

He approached Virgin Airways about starting flights from London to Londonderry. Fine,

said Virgin, but we are a bit preoccupied with trying to get permission to fly to Boston, a task which is proving very difficult. Maybe I can help, said Hume. He wrote down a name and a Boston telephone grupher. and a Boston telephone number and handed it to the sceptical

Virgin men. Call this man in two hours, he said. Virgin gave it a try and before they knew it were treated to a red-carpet reception in Boston. If the airline's applica tion is blocked, it is a fair bet it will not be at that end. And Virgin has now filed an appli-cation to start flights to London-

**Observer** 

#### -A UNIQUE INVESTMENT Platinum is one of the rarest metals on earth and one of the most valuable. It is produced in care at the most valuable. It is produced in exceptionally small quantities and the total world output is only around 80 tonnes amountly, compared with about 1,200 tonnes of gold. Much of the platinum produced is Much of the platitum produced is used in a rapidly growing range of high technology applications and a significant proportion is made into jewellery. Consequently the metal is always in demand. It is also a readily tradeable commodity. Now Johnson Matthey platinum bars are available to the private investor. Of course, like any other investment, the value of JIM 3 XIML investment, the value of inum can fall as well as (BE) WAL rise, particularly in the short term. But the price in sterling has nearly quadrupled during the past decade and over a similar TOHNSOM MATTHEY MANNEY RITHING pest decade and over a similar period it has easily outperformed inflation, too. Johnson Matthey platinum bars are produced in eight sizes up to 100z troy, each one being individually numbered. You can take possession of the bars in the UK, in which case VAT must be charged. Alternatively, they can be held in safe keeping at our vaults in Jersey or Zurich, in which case no VAT is payable on the value of the bars. Should you wish to sell your bars we guarantee to repurchase them at any time. For full information on Johnson Matthey platinum bars, and an application form, sim PLATINUM. WA0001 repurchase them at any time. For full intormanon on Johnson Matthey platinum bars, and an application form, simply complete and send the coupon by Freepost.

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Freepost London EC1B 1LH Telephone: 01-430 0011 (Extension 358)
or 24 hour answering service 01-831 9121 BRAZIL is attempting to come in from the cold, but it is far from clear whether the world of international credit will make room for its prodigal son at the hearth.

Burnthaus Laure Line of Live

Sir months ago, with the collapse of the anti-inflationary, price-freezing Cruzado plan, the government was forced to give market forces free rein. Now, a rapid acceleration in price rises, many of them procedures. rises, many of them purely speculative, has left it with no alternative but to reimpose tough curbs.

Prices and wages have been frozen and government spend-ing attacked in the latest Cruzado Plan, which differs in Cruzado Plan, which differs in important respects from its ill-fated predecessor and may prove to have a better chance of survival. Unlike the earlier plan, the initial stage—which involves a total freeze—is limited to a maximum of 90 days. After that, index-linking will be resumed, but with a difference: increases will be based on past price rises, rather than projected inflation. Wagepush inflation will thus be reduced. In addition, a sharp decline in real purchasing power since last year will reduce the pressure of demand on prices.

Even more importantly, the administration appears ready for the first time to take a grip on swelling federal government

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ACTUAL SET

Paul Cassa

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Two weeks ago, there was no sign of such a commitment. As the man in the street staggered under inflation at an annualised carried dally reports that the Government planned to spend a conservatively estimated \$20bn on top of the budget.

At the same time, the Government of President Jose Sarney

was forced to provide \$2bn to reduce interest charges on debts incurred last year when borrowing costs were artificially depressed under the old Cruzado plan. State governments also won billions of dollars in federal bail-outs to pay wages bills, bloated by index-linking.

Earlier this month, Fiesp, the powerful Sao Paulo industrialists federation, said in a public statement that the price/ interest spiral had left 30 per cent of Brazilian business technically insolvent. Meanwhile, the costs of supporting artificially low prices and tariffs charged by state sector companies rose from around 10 per cent of the federal budget to nearly 20 per cent.

But the final straw was

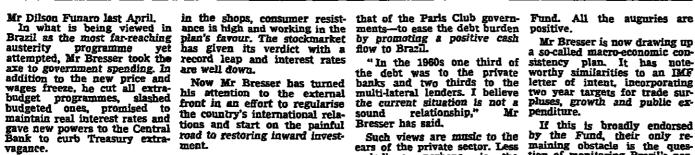
speculative price mark-ups in the shops. Unrelated to real wholesale costs and provoked by rumours of a new price freeze, they fed the inflationary

spiral.
This process was dramatically halted just ten days ago by Mr Luiz Carlos Bresser Pereira, should have already worked the affable new finance minister through the figures. And though

The Brazilian economy

# A new but fragile mood of compromise

By Ivo Dawnay in Rio de Janeiro



Several sacred cows have

tors believe the minister has pushed austerity to its limits— but few can see any alternative way out of the crisis. None the less, there is already serious concern that, as the impact is felt in the people's wallets, pressure from the unions and the lobbies will be formidable. A one-day general strike is all there planned in protest, and there are signs that politicians are growing uneasy at the threat of a public backlash. Inflation in June is expected.

to hit record levels, possibly of up to 30 per cent. But the critical test of whether the freeze can hold will come next month when optimists hope the rate could drop to only 3 per cent. Most of the inflationary pres-sure from reduced subsidies

prices have still to come down

are well down.

Now Mr Bresser has turned his attention to the external front in an effort to regularise the country's international relations and start on the painful road to restoring inward invest-

His strategy—broadly an attempt to shift the focus of But his conciliatory style and softly, softly tactics could hardly be more different. Even more important, the

minister is preparing a negotiating route that may well appear attractive to Mr Funaro's arch-enemies — the to other forms of risk. Mr commercial banks, Whereas Bresser insists he would not de-Mr Funaro took the offensive mand the mandatory converagainst the banks, declaring a sion of interest into principal.

moratorium on interest pay
But Mr Bresser seems unments on \$68bn in long term debt, the new minister appears

paid both interest and principal in full and on time. It is therefore, he argues, their responsibility—along with

the debt was to the private banks and two thirds to the multi-lateral lenders. I believe the current situation is not a sound relationship," Bresser has said.

Such views are music to the ears of the private sector. Less melodious, perhaps, is the minister's view that the solution been tackled, with real rises in attempt to shift the focus of attempt to shift the focus of artificially low state sector tariffs for electricity, steel, telephones, milk and wheat, a particularly sensitive commodity which normally enjoys a \$1.4bn yearly subsidy.

In this conciliatory style and sattempt to shift the focus of international lending institutions and from is for Brazil to seek remaining for about half the international lending from the commercial lending from is for Brazil to seek remaining for about half the internations and away from private bank creditors—parallels that of his predecessor, Mr Funaro.

The other half could be met by Brazil out of recovering export

> looks ready to offer a range of options for banks seeking either to sell their exposure in the secondary market or convert it to other forms of risk. Mr Bresser insists he would not de-

enthusiastic about the increas-ingly fashionable option of debt wirtually to be proposing an for equity swaps. One possibility is that he fears the The Bresser argument goes as follows. The international lenders—in this case the World which such swaps entail. But it lenders—in this case the world which steel swaps entail. But it bank and inter-American Develis more likely the reluctance is soment Bank—have tradition a symptom of longstanding suspicion of foreign capital. All these proposals, however, and have always been all these proposals, however, and the symptom of longstanding suspicion of foreign capital. All these proposals, however, depend on whether the country's new mood of compromise will extend to an agreement with the International Monetary

a so-called macro-economic con-sistency plan. It has noteworthy similarities to an IMF letter of intent, incorporating two year targets for trade sur-pluses, growth and public ex-penditure.

If this is broadly endorsed by the Fund, their only re-maining obstacle is the ques-tion of monitoring Brazil's per-Aided by two devaluations in

two months, Brazil now looks on course to achieve a trade surplus of \$8.5bn this year and \$10bn next. Growth targets of 5 per cent this year and 6 per cent next will be more difficult to achieve. But Mr Bresser puts To sweeten the pill, Brazil a low priority on limiting the poks ready to offer a range of public sector deficit to 3.5 per cent of gross domestic product, down from an estimated 6.7 per cent now, and this may worry the Fund. The minister himself believes

that a deal can and must be done. "I have to achieve an agreement," he said last week. "I cannot invent money, or if I could it would only be with a very deep recession. All the bankers I talk to, including the DMF and the World Bank, agree that this would be absurd."

But he warns, "both sides have got to play this game.

There is not a very large space for debate. The realities of the situation are more important." Not least of these is the threat of social and political turmoil in the Western world's eighth largest economy.

# Time to tackle the Euro malaise

By Samuel Brittan

countries.

THE LATE lamented Harold Wincott used to argue that the unnecessary resort to Keynesian demand stimulation in the fine-tuning days of the 1950s and 1960s would discredit

1950s and 1960s would discredit demand management at a time when it would really be needed.

So it has proved. Both the Organisation for Economic Co-operation and Development (OECD) and the Bank for International Settlement (PES) herenational Settlements (BIS) have published reports on the deteriorating world conjuncture and the disappointment of

earlier hopes.
There are two dangers. First, even if there is no further deterioration, the projected growth rates are not enough to prevent a further upward creep in unemployment in Europe, where it is already alarmingly high, and also in

Japan.

The unemployment trend has been best in the US. According to the BIS a growth rate of 2½ to 3 per cent is required to prevent a rise in US mem-In Europe where productivity is rising fast, the BIS estimates

that a real growth rate of 31 per cent is required to prevent unemployment rising. European growth has been below this benchmark in every single year since 1976, and the OECD expects the shortfall to widen. As a result it expects European unemployment to rise by a further im to reach 19im, or 11i per cent, by 1938.

The proximate causes of this disappointment are clear. First oil producers were quicker to cut back spending after last year's oil price fall than oil consumers were to spend their increased real incomes—although the BIS is rash to conclude from this that all rapid change is bad. Second, the Baker "plan" for debt has been treading water and developing countries have imported less than expected.

Third, and far away most important, Japan and West Ger-many and their closest trading partners have been hit by the rise of their currencies against the dollar. The immediate im-pact has been amplified by fears of a trade war and further currency changes, and investment has stagnated.

The European jobs outlook is distroyed the influence of the quite shocking, irrespective of nternational economic bodies.

whether it provokes riots or the unemployed grin and bear it.
But there is a further downside is a reflection of more fundarisk. The OECD predicts an

acceleration in US inflation to dip per cent even on present exchange rates. If there is a sharp fall in the dollar, the US inflation outlook would be worse and it is difficult to see how the US Federal Reserve could avoid a sharp rise in interest rates, which would hit both the American economy had the less developed and adaptability of the postwar years, the fiscal and monetary policies of Stoltenberg and Poehl would hardly matter. But it hasn't and they do what kind of stimulas do Europe and Japan need? The BIS insistence that it should all be fiscal reads too much like the ceutral bankers' trade

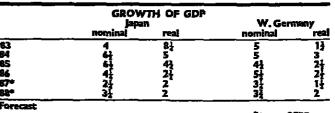
all be fiscal reads too much like the central bankers' trade union passing the buck to governments.

countries.

Even worse, the further appreciation of the yen and the D-Mark related currencies—which is the other side of the same coin—would worsen the growth recession in the Old World to a point where no feasible domestic demand stimulation and make un for falling. appreciation of the yen and the D-Mark related currencies— which is the other side of the same coin—would worsen the growth recession in the Old World to a point where no feasible domestic demand stimulation could make up for falling orders in export industries.

International forecasters could be wrong. The important stimulation of the back of an envelope, a monetary stimulus will lead to more investment and lower interest rates per dollar of extending orders in export industries.

The role of fiscal policy is as a back-up if interest rates near rock-bottom, which they have not yet done. could be wrong. The important have not yet done.



thing is to examine the balance of risks In the US, there are clear inflationary dangers. But in Japan and Germany inflation

remains pretty well vangulshed and the GDP deflator increase is in the 0-2 per cent per annum range. In other G7 countries, inflation is also well below recent levels.

cent levels.

Nominal GDP in Japan and Germany is now rising by some 2 to 3 per cent per annum, compared with the 5 per cent in Germany and 7 per cent in Japan, which would be compatible with non-inflationary growth. If stimulation is calibrated and targeted in nominal terms, there is an automatic safety catch and there cannot be the inflationary kickback the Germans fear This lesson has still to be learned. lesson bas still to be learned.

The tension between the unreconstructed Keynesianism of most working forecasters, who still think of demand management in real terms, and the unreflective financial orthodoxy of their political masters has obscured the message and

As for the threat posed by the money and liquidity build-up stressed by the BIS: central banks just have to be ready to switch engines and raise interest rates sharply if the velocity fall reverses, and excess demand becomes a greater threat than deficient demand. They are paid to deal with the unpredictable.

The BIS is on stronger ground when it appeals to the self-interest of nations rather than the general international good. Neither the abstractions of low growth rates, nor high unemployment concentrated among regional and ethnic minorities, seems to influence European electorates,

The European and Japanese governments will act only if they are persuaded that their ultra-cautious policies threaten prosperity and existing jobs, not directly but when the international feedbacks are taken The British Government has

a chance to fill the international leadership vacuum by forcefully pointing out these dangers. But to do so it will need to em-brace a more sophisticated ver-sion of sound finance and good housekeeping than anything

#### Delayed - [ - [ - ] - ] flights

Sir, - The news (June 18) from the CAA that many flights this summer will be severely delayed, causing some reschedu-ling at peak times, should come as a clear warning to all those familiar with delays at foreign airports, and who have enjoined the current suphoria esponsed by media and government departments for urgent pro-gress in the matter of deregula-

tion of Europe's air services.

Some effects of deregulation in USA have been the loss of 40,000 jobs, the termination or rescheduling of some 10,000 flights, and a daily flight delay rate of about 2,000. The current UK problem causing the CAA announcement is due entirely to the proliferation of excess and unwanted flight capacity to Europe's holiday spots. Air and terminal space does not sepa-rate schedule from charter, and those who pay the high first and business class fares should note that they will find no immunity from this year's air-space chaos, which will be compunded further if the proponents of deregulation have

Perhaps the most unfortunate assumption about the effects of deregulation, in addition to the supply of further unwanted seat capacity, is that airfares will come down USA basic domestic fares upon which all incentive fares upon which an interaction fares are based — which therefore include most first and business class fares — have, if anything, increased. For how else can capacity excesses for new market expansion at lower fares to be formed!

fares be financed!
The truth about airfares is that in the month of June 1987, it is possible to buy a return scheduled ticket to almost any point in continental Europe for about £50, in many cases a great deal less. All it takes is a few phone calls. The airlines of Europe already operate in a highly deregulated environ-ment. Their fare-setting, far from being a matter of national duopoly collusion, is almost entirely market led. Most of them are no longer prepared to let scheduled seats depart empty on the archaic principle published airfare levels must be maintained, Who would have thought it possible to fly (from Luton) to Dublin on a scheduled flight for just £29? This is but one of countless examples of voluntary change. Those Britons who provide such strong revenue support for the world's airlines should reconsider the effects of excess liberalisation on their tight flying schedules, and they should have in mind that the should keep in mind that the EC purpose is to replace one set of fast disappearing rules with another which is legally binding

and which will almost totally undermine the good and con-

#### Letters to the Editor

Europe's airlines to provide more flexible airfare choices. Deregulation in Europe, in any form other than that dictated by Europe's airlines, will restrict choices, increase delays, restrict choices, increase delays, ruin time-keeping, and will not lower most core airfares below current levels. If there are still those who believe differently, I urge them to consider the facts on both sides of the argument. the argument.

the argument.
A riline seats are not butter.
A nation operating its own international airline has its prestige, its social obligations, its massive investments and debts, and its capacity for foreign earnings to consider.
Only the most reckless can expect all of them to abandon what they have established. what they have established, perhaps over 40 years or more, to the urgent interference of the Brussels bureaucrats. Paul MacNamara, 38 Woodlane, Falmouth, Cornwall.

Darkness and

light From Professor

Sir,—In his review of David
Thomson's "Nairn in darkness
and light" (June 13) W. D.
Sholto writes that "after
centuries fighting the English,
the Scottish people were finally the Scottish people were finally defeated in the 18th century."

I always thought the Scots King became King of England and just over a century later the Scots Parliament voted to join in a union with England. Perhaps he is referring to Culloden, the last battle fought on British soil. There the Hanoverian army consisted of Scots and English troops, while the Jacobite army boasted a scots and English thoops; while the Jacobite army boasted a Manchester regiment. Hardly the final defeat of the Scottish people by the English.

No. Sir, the predominance of England since the 18th century refeats that military consents.

reflects not military conquest, but the greater influence within the Union of the richer, more powerful partner. Scot tish resentment stems from the feeling that the English know little and care less about Scot-land and its problems. In the end, the Scots may

derive some sardonic pleasure from the fact that England, having failed to build up a rival trading block, decided the tinuing work carried out by and most powerful member.

The medicine Scotland has had to swallow now awaits its southern neighbour. Will our children and grandchildren read of smouldering English resentment against Brussels? D. M. MacLaren. Oostzijde 103. 1426 A.J De Hoef.

Netherlands. The price of

food

Sir,-Councillor Clarke (June 18) quite correctly points out that the price and use of land was not an election issue. Per-haps even more astonishing was that there was no mention, that I can recollect, of the price of food and yet the policies which this country is forced to adopt under the Common Agricultural

Policy costs an average of £9 per family per week throughout the country. Here, surely, is an area in which any Government is vulnerable to attack! How astonishing therefore that none of the opposition parties even seemed to have noticed this colossal burden which is placed upon consumers throughout Britain and Europe.

Britain and Europe.

Of course the Liberal Party, regrettably, abandoned belief in cheap food for the people at least 20 years ago. One would however have thought that possibly the Labour Party in its role of protector of the underprivileged, would have at least made some mention of the price of food in its election campaign. How long are we all going to suffer from the gross distortion suffer from the gross distortion and unemployment throughout Britain and Europe which is the direct result of the Common Agricultural Policy? W. A. N. Jones, c/o W. H. Jones and Co

Tonner House 17 Oakleigh Park North, N20.

Leeds as an example

From Mr J. Mordy Sir, - The article (June 13) on the parties' performance in the election contained one flaw. Leeds was used as an example of the northern cities where the number of Conservative Members of Parliament had been reduced. It was inferred that Leeds had only two Tory rival trading block, decided the future of the UK lay in the Common Market, where it will not automatically be the richest not automatically be the richest four are Conservatives. The 28, Addison Way, NW11.

only change in the city's representation was the gain by Labour of a seat from the

Leeds is actually a good work. It has a rapidly expand-ing commercial and financial services sector. The difference is that any divide is southnorth rather than the oftmoted reverse. John Mordy.

Milestone, Breary Lane, Bramhope, Leeds

Achievable targets

From Mr C. Clayton. Sir,-Mr I. Taylor (June 17) suggests that the resources devoted to social services are limited by the economic prosperity of the UK. While this is no doubt true in the long term, over the next five years the limit is more likely to be set by political decisions—including the (previously concealed) plan to spend on reductions in the top rate of tax money which could have been directed against public squalor instead of towards private

Christopher W. Clayton, Merton College,

Sharing the cake

From Mr D Collison Sir,—Mr I. Taylor (June 17)
"concludes" that the key
question is "which policies will
maximise the economic pros-

perity of the UK? " He has missed an important point. A large cake unfairly shared may lead to a smaller sum of human happiness than a smaller cake. David J. Collison 18, Whitefould Road, Dundee.

Overlooked by a Skyship From Daphne Birch

Sir,—The photograph of the "Skyship over London" in your aerospace section on June 9 is impressive. Living under its flight path, however, is not. As it approaches, passes overhead and then slowly disappears, the noise is considerable. Even more annoying is the invasion of privacy. Flying low to give passengers a good view of London also means giving them a don also means giving them a good view of my house and into my garden. Last year, I wrote to Airship Industries to object and had two charming letters back assuring me that the ser-vice was experimental and of short duration. Unfortunately

for the people on the ground, it now seems to be a regular fix

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# FINANCIALTIMES

Monday June 22 1987



By Roderick Oram in Greenville

#### Far from **Triple** Witching

ELLEN PUCKETT could not have cared less what Wall Street would get up to on its Triple Witching Hours last Friday. The one-woman trading team of Edgar M. Norris & Co., Stockbrokers since 1949, turned up for work in her office in Greenville, South Carolina, at 8.30 am just like any other morning.

It had all the makings of a typical day in which she would make per-haps 50 to 75 trades through her di-rect computer link to the over-thecounter market and by telephone to a Wall Street brokerage house for New York Stock Exchange orders. Big days, more than 100 trades, are usually new issue days.

Norris clients are investors, not short-term traders. They like to give stocks time to appreciate, al-though some local ones hardly need nurturing. Ryan's Family Steak Houses, for example, has doubled in price this year. Once in a while someone will trade a few options but never as part of an elaborate arbitrage between securities to squeeze out a profit.

A world away on Wall Street, the hyper-traders were twitchy about Triple Witching. The ground rules for the once-a-quarter expiry of futures and options on stock indices and options on underlying stocks had been changed. No one was sure whether markets would suffer the price and volume paroxysms of previous expirations.

As it happened, Wall Street ran an orderly riot. A third of the day's exceptionally heavy volume was compressed into the opening and closing of the session - 40m shares in the first 15 minutes and 30m in the last minute. The Dow Jones in-dustrial average closed up 12.72 points at a record 2,420.85.

Triple Witching's "effect on our clients is extremely small to non-ex-istent," said Mr Jan Schipper, vice-president and Dutch immigrant son-in-law of Norris's founder. Basque circles normally sympathetic to the ETA organisation, coincided at the weekend with a growing controversy about the authorities' alleged failure to respond to They like classic, fundamental sec-

While Wall Street's more rarified products have yet to travel the 800 miles southwest to Greenville, its intense competitiveness has. "When one or two-man operations - and one New York firm," said Mr Edgar Norris, chairman, "Now there must be about 100 representatives in 20

They scramble for business in a metropolitan area of about 250,000 people. In the past two weeks alone he has received three calls from brokers attempting to sell him stocks. Having taken Mr Norris's name and number from a telephone solicitation list, they were somewhat thrown to learn he owned his own brokerage firm.

"It's surprising to me sometime that we've been able to survive." What was the key? "Keeping my nose clean, for one thing." He has also been cautious. "Tve never been big on the wrong side of things - or on the right. I'm basically very conservative." On the wall to the left of Mr Norris's desk was a cartoon of a man sitting neatly and calmly at a desk. The caption read "Steady Ed-

Regardless of the competition Mr Norris feels there will continue to be many opportunities for a small firm like his. Its radio advertising stresses its strength as South Carolina's oldest, native, full-service brokerage house.

It feels that size is no impediment since computers are great levellers. With \$30,000 worth of equipment reau in Pittsburgh, "we can com-pete head-on with Merrill Lynch." id Mr Robert Reber, Norris's head of operations. Norris has 38 employees and Merrill 44,500.

Mr Edgar Norris Jr., president popped briefly into his father's office to join the discussion. But he had to dash off to Hartwell, a town of 5,000 people down on the Georgia border where the firm is opening up its fourth office.

"I hope it is a good opportunity," Mr Norris senior said. "It's an iso-lated old industrial town with some people of substance who are not covered up by solicitations like over

If the residents of Hartwell are wondering how to escape the brokerage industry's long reach, they could seek advice from Mr Jim Pearce, another Greenville native. He used to trade stock index futures and Treasury bond futures in Chicago but "it didn't take but a couple of those Triple Witching days for me to get the hell out."

Now he plots long-term investhis Greenville home and his beach house down on the Carolina coast. Come Friday's Triple Witching, he cast off his fishing boat and headed as far out in the Atlantic ocean as I could get and I stayed there 'till it was all over."

Patrick Cockburn returns to Chernobyl a year after the power station accident

# Cleaning up Soviet nuclear act

pine wood contaminated by radia-tion a mile from Chernobyl nuclear power station. Once the trees and topsoil are gone, the area will be sanded over and seeded with grass.

At the power station iself an enormous steel and concrete shell,

which looks like the bottom of an upturned ship, and is known as the "sarcophagus," contains the remains of the fourth reactor, which exploded in the world's worst nu-clear accident on 28 April last year. There has been no real danger of

adiation from the plant for more than a year but the results of the original accident, which forced 135,000 people to flee their homes, are proving hard to eradicate. Peo-ple have returned to only 16 out of 179 villages and settlements abandoned in the first days after the dis-

Throughout the uninhabited zone around the power plant, bands of clean-up workers, often wearing green military uniform and a white surgeon's mask over the face, are monitoring soil, trees and plants. If these show signs of contamination on radiation meters they are buried in vast pits - the largest of which has been nicknamed the Lubianka, after the security police headquarters in Moscow

The Soviet authorities have publicised these efforts over the past month by conducting parties of journalists on tours of the nuclear power plant and the abandoned zone. High priority is clearly being given to reassuring ordinary Soviet citizens and the rest of the world

nat has been in charge since last open waterpipes is strictly prohibit ochober of the clean up of the con-

EXPRESSIONS of revulsion over

Friday's car bomb massacre in

Barcelona, including among radical

warnings made more than 45 mi-

The death toll rose vesterday to

17. In the Barcelona district of Sant

Andreu, whre residents hung out

red-and-yellow striped Catalan flags pinned with black crepe for

mourning, thousands took to the

streets to demonstrate against ter-

city this evening.

Meanwhile, families of more than

30 people injured in the attack were



Workers at the power station it-

self were mainly housed in Pripyat, a town of 49,000 people, only 5 km from the plant. They were all evacuated in three hours by 1,200 buses

and trucks 36 hours after the accident and the town is now desolate.

Between the ugly blocks of prefab-

ricated houses the contaminated top soil has been scraped away and

replaced with sand, in which grass

and wild plants are beginning to

is a cemetery of cars, now moulder-

ing in the summer rains, which were among the 2,000 contaminated

vehicles handed over to the authori-

The bombing which claimed

seen as responding to a new strate-gy favoured by the more extreme faction in ETA for a "qualitative

targets, rather than indiscriminat

year-old Mr Francisco Mugica Gar-

mendia, known as "Paquito" or "Ar-

tapalo," one of a new generation of

leaders to have taken over from Mr

"Tromin" Iturbe Abasolo, who died in a car crash in Algeria in Febru-

ary, after being deported from

ientation and more open to colla-

boration with "Euro-terrorist" orga-

ly against a civilian population.

On the outskirts of Pripyat there

taminated area, the operation of the remaining two reactors at the powplant and reconstruction of a third by the end of 1987. It also needs to assure the safety of its own 7,500 strong workforce.

The Soviet desire to prove that the errors which led to Chernobyl will never be repeated is under-standable, but the main impression left by the shuttered villages and abandoned fields in which bushes are beginning to sprout is the length of time necessary to eradicate the consequences of the origi-

Chernobyl itself is a large and prosperous village 12 km from the power station in the middle of rich water meadows and woodland where in past summers people from that the Soviet nuclear industry, Kiev, the capital of the Ukraine, despite Chernobyl, is competent to would come to pick mushrooms and push ahead with its programme of fish in the streams. Today visitors nuclear power station construction.

A new organisation called Kombinat has been in charge since last

ket had also been warned.

the extremist Basque coalition sup-ported by ETA, voiced its "most vehement criticism" of the bomb at-

tack, but it also named the store

management and the police, whom

it accused of being intentionally

It was the first time the party had officially condemned an ETA ac-

had previously criticised ETA mur-

ders and kidnappings. In European Parliament elections on June 10, Herri Batasuna won a

Basque country and about 36,000 in

The presence of active sympa

the Barcelona region.

tion, although individual mem

rorism. Another protest march led record 360,000 voters, including al-by political parties is planned in the most a third from outside the

considering legal action against the thisers and the possibility of assis-authorities and the Hipercor store, tance from the Catalan extremist

where the explosion took place, group Terra Lliure (Free Land) are

over their failure to evacuate the among the reasons cited for ETA's

premises despite warnings to the choice of Barcelona as a new centre

police and to a local newspaper, in for its terrorist activity in the past

which the caller said the hypermar-nine months.

Herri Batasuna (People's Unity), more victims than any previous at-the extremist Basque coalition sup-tack in ETA's 28-year history, is

diation increasing, but they must also be free to work in factories and

He says about 70 per cent of the 4,000 men at the power station itself worked there before the accident although all specialists had their qualifications retested. He says many of them now receive 1,000 roubles (\$1,600) for working a 15-day-month compared with 400 roubles before the accident.

This kind of danger money is clearly attractive because the average Soviet wage is 195 roubles a tan in Soviet Central Asia said that he had done his military service working in the zone but took a job in Kombinat when he left the army

The senior staff at the power sta-tion is new. Mr Viktor Bryukanov the director of the plant at the time of the accident, and Mr Nikolai Fomin, the chief engineer, now in jail in Kiev, are to go on trial for gross negligence in Chernobyl's for-mer social centre in the first week of July. Mr Koralenko says he expects they will receive sentences of up to 12 years.

The new managers, many of them in their 30s, look efficient and confident. They are on average about 10 or 15 years younger than the previous management - in sharp contrast to senior directors in most Soviet plants where the average age is frequently well over 50.

The Ukraine clearly needs electies in return for compensation af- tricity from Chernobyl but this does ter the accident.

Mr Alexander Koralenko, chief of Kombinat's information department, says that contamination levius 3,000 MW out of total Soviet

els have fallen sharply over the past output of 300,000 MW out of total Soviet els have fallen sharply over the past output of 300,000 MW More probably the reason is fear return to 55 settlements. The problem is that not only must their credibility of the nuclear industry if homes and transport links be decontaminated, with no danger of radioned.

#### Spanish protests over bombing **Optimism** over UK industry prospects

By Philip Stephens in London

leap" in terrorist activity. ETA's at-tacks have up to now been aimed at try remains confident that its strong performance in both domes Distinct from the traditional tic and overseas markets so far this pure nationalist tendency, the factory will continue through the sumtic and overseas markets so far this tion is believed to be headed by 34-

The Confederation of British Industry's latest monthly trends survey released today shows that more manufacturers expect to increas months than at any time in the last 10 years.

It follows official figures last The new ETA hard line is considered more Marxist-Leninist in or output has been rising at an annual rate of around 4.5 per cent in recent months, about 1 percentage point faster than the economy as a whole. The CBI says that industry's ex-

port order books have continued to swell in June, despite the appreciation in the pound's value since the beginning of this year. That appre-ciation has eroded some of the competitive gains flowing from ster-ling's sharp fall during 1986.

The 1,654 companies responding to the survey reported that overa their order books were not quite as strong as in May. Despite that, 45 per cent expect to boost their output over the next four months, while only 8 per cent anticipate a decline. Over 30 per cent of companies said that their export order books were above normal, while 46 per cent said that they were at average levels and 22 per cent said they

were below normal. The survey also has some encouraging news on the immediate outlook for inflation, with fewer companies than in May expecting to in-crease their prices over the next four months.

Commenting on the results, Sir David Nickson, the President of the CBI, said they confirmed the pat-tern of the last few months and showed that British manufacturers were holding their own in export

# Waldheim visit defended

noble Catholic country".

pope and tell him the truth".

Vatican said Mr Waldheim had the Foreign Minister, last week re-been "democratically elected last ceived Mr Karl Gruber, Austria's year" and could therefore represent Foreign Minister from 1945-1953, his country regardless of any other who presented a white paper deissues, which were not the concern fending Mr Waldheim against of the Holy See. The Vatican then charges that he may be guilty of praised Austria as "an antique and Nazi war crimes. The white paper repeats Mr Waldheim's claims that The Vatican statement included a he has "nothing to hide" and that he

THE LEX COLUMN

# When the black horse bolts

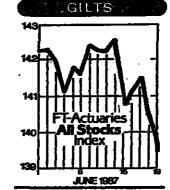
And then there were 26. Lloyds Bank's Friday night exit from the ranks of gilt-edged market-makers (and from the Eurobond trading ists too) is a belated justification of some of the pessimism that has sur-rounded the new glit-edged market ever since it began its overpopulat-ed existence. What may have helped put the nails in the coffin of Lloyds' market-making unit was the recent indication by the Bank of England that several newcomers were planning to enter the fray once the one-year breathing space allowed to the original participants expires next October. At least five big Japanese and American houses. including names such as Nomura and Morgan Stanley, are likely to

apply.

In the circumstances, competition in the market has begun to sharpen. Practitioners reckon that prices have become closer and the sales effort more aggressive, as the big primary dealers seek to consolidate their market shares. This may be coinciding with a tendency for institutional clients to trim back their lists of brokers. In the early days after Big Bang the major funds were inclined to give all the serious market-makers a chance to build their reputations. Now, however, with the new-style market well into its second half-year, there is a tendency to cut out the weaker partici-

As expected, the market has become concentrated on a relatively small number of the market-makers. According to a Bank of England hint several months ago, seven share figures are by no means the whole story. For one thing, profits are normally made out of correct positioning of the book, and rarely out of turnover as such. Dealing spreads are much too narrow for that. For another, there is scope for specialisation - in shorts or index linked, for example, or in different kinds of clients, with some primary dealers obviously doing sizable business overseas, even though

mestic institutional scene.



and, although in theory they can earn profits in bearish conditions by going short, that is not as easy in practice as it may sound. Although Lloyds Bank denies that the recent market setback led to the decision to pull out of gilts, the conditions of the past few weeks have been particularly testing. Gilt-edged prices peaked out at the beginning of the election campaign, with yields subsequently rising something like half a point. And although the election was safely won by the Conservatives, the gilt-edged market appears to have worked itself into a technically awkward corner.

Market-makers have built up long positions, partly in expectation post-election demand from ed and partly because they have feared a shortage of supply of stock from a Treasury with a very low borrowing requirement. Yet the foreigners have stayed away in market makers were accounting for droves. And it turns out from last 53 per cent of the business in gilts, and this polarisation is likely to intervention on the foreign exhave intensified. Yet crude market changes has left the authorities with a need to mop up excess liquid-ity through gilt sales. It is just pos-sible, too, that Lloyds Bank still has some large lines of stock which it no longer has use for.

Brokers Phillips & Drew report a big interest in their new survey of European financial statements, which gives a quick summary of the accounting wrinkles in the major Continental countries.

ther south you go in Europe the Meanwhile, the generally positive trend of gilt-edged prices since last autumn has helped to avoid emulations. In countries barrassments for others of the orige such as Italy and Spain, reporting is

formula for corporate financial The Germans stalled for a long

time when faced with the need to harmonise with EC directives. As it is, German companies will not be required to conform with the Fourth Directive, including a true and fair" profit statement, until and fair profit statement, until they report (next year) for calendar 1987, and they can defer the impact of the Seventh Directive, which pro-vides for worldwide consolidation, until reporting on calendar 1990.

Because some German companies will anticipate these requirements but others will not, German reporting could be in a confusing state of flux for several years.

The DVFA has for several years attempted to impose a degree of or-der by working out recommended adjustments to the raw published figures, for example, giving formu-lae for amendments to provisions for pensions and depreciation. But now, in the context of the progressive implementation of the directives, it is being forced to adjust its

In particular, the DVFA is no longer recommending that the net increase in pension provisions should be added back to earnings, a change which on the face of it could chop an average 10 per cent off adjusted earnings.
It must be emphasised that these

accounting changes affect only the perception of a company rather than its substance. But try explaining that to a baffled investor from

#### German earnings

If you thought that Schering's 1986 earnings per share were DM 25, as stated in the accounts, you will have had to revise your ideas to DM 35 according to the recommendations of the German Association of Investment Analysts (DVFA). But then, to be completely up to date, you will have had to pull the figure down again to DM 27.

A big problem faces the London brokers who set out to promote the attractions of Continental stocks to and Japan. European reporting and accounting continues to be in a state of considerable confusion. For global investors who like nothing better than to build up elaborate inal 27. In a bull market, primary dealers tend whatever happens to make profits on their "back book" such as trany and spain, reporting is databanks and arbitrage between West Germany the opposite is true, with a highly complex and legalistic by frustrating.

# **Seoul Olympics**

Continued from Page 1 those two decades have seen wide-

the Second World War. "Games venues are selected six

or seven years in advance," said Mr Palmer. It is difficult to predict where trouble will flare that far in advance." Los Angeles, which staged the 1984 games - and made a huge profit despite a boycott by the Soviet Union and its allies - has offered to step in and host the 1988 With \$30,000 worth of equipment Games. However, in Lausanne, and links to a computer service bu-Olympic officials stressed that there were "no contingency plans" for cancelling or transferring next

Despite charges that the international committee has been naive or na as the venue for 1992. Last Friday, 15 people died in a Barcelona paratist organisation Eta

World Weather

When Seoul was chosen in 1981, spread bloodshed and protest, no there was only one other applicant games have been cancelled since Nogoya, Japan. Seoul's bid, the nittee says, won on "technical

> Since then, North Korea has agitated for a share of the action. To date, the North Koreans have been awarded two sports - archery and table tennis - plus some cycling and soccer events. They want more.

A committee delegation recently visited North Korea and will report on its observations to the body's executive board before the north-south talks on July 14 and 15. The committee says that "elements of a solution" are in sight.

The Olympic Games have been blind in choosing recent sites for mired in controversy and bloodshed the games, it has selected Barcelosince the Mexico Games of 1968 which saw the slaughter of 260 students. The last three summer hypermarket bomb explosion gen-erally attributed to the Basque se-and Montreal - were damaged by

#### **Express to quit** Fleet Street

Continued from Page 1

No final decision has yet been taken on the southern print run. The company has options on two pieces of land suitable for the construction of a new green field" printing plant The preferred option is, however

a joint printing venture with the Daily Telegraph on the Isle of Dogs. The Telegraph has already reached a joint venture agreement with Mr Rupert Murdoch's News Interna-tional at its modern Manchester printing plant as part of the package. United is also considering launching a Sunday version of the Star, its down-market tabloid daily.

By the end of 1988 Lord Stevens Chairman of United, may be producing his three national newspapers with a total staff of about 2,500 compared with the nearly 6,800 he in herited when Express Newspapers were purchased from Fleet Hold-

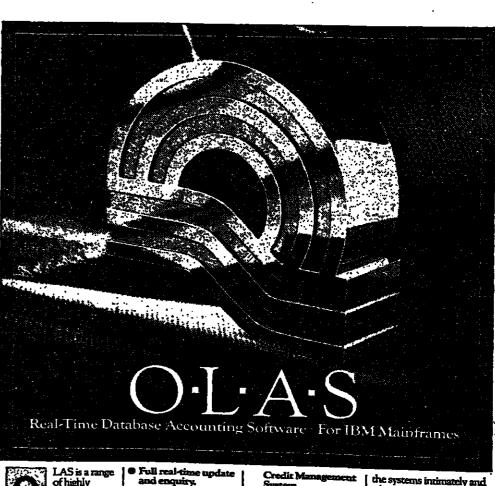


ist of recent speeches in which does not feel isolated Pope John Paul II condemned Nazi atrocities. The most recent of these was made eight days ago in Warsaw, where the Polish-horn pontiff in a that due to the not was criticised at the weekend by Mr Marek Edelman, a leader of Solidarity who described the Waldheim visit as "very upsetting, unless Waldheim plans to confess to the

does not feel isolated by the inter

The Italian Government is avoiding embarrassment by telling Vien na that due to the political situation in Rome, the caretaker Fanfani government considers all official visits by foreign heads of state to be inopportune

ope and tell him the truth". President Francesco Cossiga will in Rome, Mr Giulio Andreotti, not meet Mr Waldheim



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# SECTION II - COMPANIES AND MARKETS

# FINANCIALTIMES

Monday June 22 1987



INTERNATIONAL BONDS

# Surprise demand for fixed-rate Eurodollar issues

NO-ONE IS seriously suggesting bonds have been redeemed as inter-that any new money worth speak-ing of is going into Eurodollar fixed past year. rate bonds. Yet a number of US companies over the last few weeks have managed to launch new issues which have been apparently easily absorbed by the market.

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Last week, for instance, a new \$125m seven-year issue for Prudential Funding Corporation traded healthily inside its fees. This followed earlier deals for Ford Motor sectors against the market compo-Credit and GMAC which achieved similarly solid sales.

The trend is remarkable, since US corporate issues have in recent years been the least favoured in the alysts at Salomon Brothers in a remarket, because of credit concerns cent report.

Contract report.

Contract report.

Contract report.

Contract report. quisition activity, and declining oil prices. US cornorate bonds could thus be expected to be the first cate- come to the conclusion that the dol- rated US industrial companies to associated with the turbulence in gory to come under pressure in a depressed period for the Eurobond

Yet the yield relationships in the secondary market between US Treasury bonds and seasoned corporate Eurobonds suggest otherwise; they have been narrowing markedly over the last couple of

All of which might suggest that CZECHOSLOVAKIA, this most beleaguered sector of the market was undergoing a process of rehabilitation. But dealers' explaseen for an Eastern European borand the terms - 1/2 point over Libor er for another Easter European bornations of the phenomenon do not rower, has been asked whether it over 10 years with an eight-year rower, Hungary. suggest such a sea-change in inves-

Yield spreads in general have tended to narrow because the Euro- bank lead management group. With more problems when one of the bond market is less volatile than the US Treasury market, so that price falls there find paler reflections in Europe - unless, as occured the five-bank lead management after differences with Creditanstalt price falls there find paler reflecin mid-April, there is a general run group headed by Creditanstalt of over its role in the credit. on the dollar. The relatively better Austria. performance of the US corporate sector in this process is mainly a

function of supply, dealers say. Once it became more expensive of Tokyo, Banque Nationale de Pato fund in Europe than at home, US ris, Deutsche Bank, and Fuji Bank. corporate borrowers naturally started putting in fewer appearances in the new issues market nese banks, the loan's success in Since the beginning of this year, general syndication will probably they have been almost completely absent, while many outstanding

where is all the buying pressure coming from? A common explanation is that much of it is emanating from the US, as the bulk of the bonds have become seasoned and eligible for resale across the Atlan-

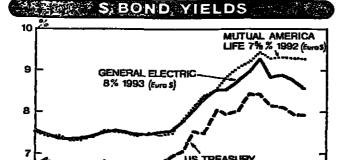
site have narrowed from their 1986 highs this year and are trading at US domestic counterparts," say an-

urgence of Continental interest in dollar bonds as more investors lar has bottomed out. Such inves- US insurance companies, many of tors have always been buyers of which are triple-A rated.

All this still begs the question

"As a result, spreads for all US

household name" corporate bonds.



stance, tended to prefer double-A cause they have been erroneous

This is partly because the insur-

lead management group put togeth- minster.

The group currently has 12 members. This may be expanded, perhaps to 14, even though last week

the \$400m loan went into general

syndication, which is expected to

those on corporate bonds.

ever, when it managed to launch an issue at a mere 50 basis points over the yield curve, when other compare insurance companies were trading at around 80 basis points over. Dealers say this is because it cognised in Europe.

deals, syndicate managers do not end, compared with around 25 basis feel that an issuing window is points on corporate bonds. opening for a host of US corporates flow of money into the sector is a trickle rather than a flood, and with the US banking sector.

The disparity between the insurance and industrial company section of currency markets, they are more choosy than ever

points over Libor.

other East European borrower, Deutsche Aussenhandelsbank of

week with a group of Arab banks.

wait-East German co-operation.

Stephen Fidler

The terms are the finest ever ob-

ers. Some insurance bonds are trading at levels to provide yields of Corporation, moreover, were issued around 30 to 40 basis points above into the short-end of the yield Prudential Funding Corporation maturities, as syndicate managers judged that most investors are still

adopting a defensive posture. Amid the general narrowing of yield spreads recently, those bonds that have missed out most are the sovereign bonds - which have been happens to be the one insurance issues over the last year or so. Yield company whose name is readily remargins over US Treasuries have narrowed since mid-April by only Despite the success off recent around 15 basis points at the longer

Such a movement can only be to tap the Eurobond market. The linked to the withdrawal of Japanese investors, who used to be enthusiastic buyers of sovereign bonds. Eurodollar dealers say they have hardly heard from a Japa investor since the end of the financial year in Tokyo.

> Meanwhile, sovereigns have been steering clear from the Eurodollar new issues market, although they have put in regular appearances in the Euroyen sector; Belgium last week became the latest example.

This is explained partly by the Both French banks. Creditanstalt Credit Bank of Japan, Mitsui, Morfact that the Euroyen sector has for and Deutsche Bank are all in the gan Guaranty and National Westmuch of the year been a much healthier market than the Eurodollar The eight-year loan has a 51/2 year market, and also by the desire of grace period with a margin of % some sovereign borrowers to build up their yen borrowings.

That is the same margin as an-But since the bulk of their issues Deutsche Aussenhandelsbank of are swapped, the answer almost East Germany, obtained on a certainly lies in the extremely at-\$100m, seven-year loan with a tractive rates that the Japanese houses have been offering them, three-year grace period signed last with which other players cannot hope to compete.

Last week, almost all sectors on tained by East Germany but the credit, led by the state-owned Ku- the Eurobond market fell into an wait Foreign Trading, Contracting early summer hill, except for the and Investment Company, appears to have been guided less by hard commerce than by the spirit of Knket, driven by disappointment that Even so, the raising of the loan no wave of foreign boying had yet was hardly the swiftest KFTCIC emerged in the wake of the UK embarked on the deal last autumn. election.

#### Salomon builds up key block of **HBJ** debentures

BY ANATOLE KALETSKY IN NEW YORK

appeared to face a new threat over the weekend with the disclosure mulated a block of debentures total common stock.

The Salomon Brothers' stake, disclosed in a filing to the Securities and Exchange Commission late on Friday, could greatly complicate the wards Harcourt, it now appears Friday, could greatly complicate the recapitalisation plan which Harcourt had designed to thwart the Maxwell bid.

Salomon said it had purchased the block of debentures, worth around \$350m, between May 21 and June 12. The debentures are convertible into 21.9m Harcourt common shares at \$34 a share.

With about 50m Harcourt shares currently outstanding, this could give the Wall Street investment bank control of up to 35.7 per cent of the publishing company.

While Salomon would not reveal block of securities, the existence of it fell into unfriendly hands.

HARCOURT BRACE Jovanovich, the US publishing company which has been fighting off a bid from Mr Robert Maxwell's British Printing and Communications Corporation, rights as part of its recapitalisation programme. But Salomon told the SEC that it would support the claim that Salomon Brothers had accu- of the debenture holders' trustee, Suntrust Banks of Florida, that the which could be convertible into conversion rights should be mainmore than one-third of Harcourt's tained, on modified terms, even after the recapitalisation.

A hearing on this issue is schedthat the court proceedings could de-termine the viability of the pub-

lishing group's defence strategy.
Uncertainty over Harcourt's de fence has grown on Wall Street as a result of the legal complications emerging from the recapitalisation

Partly as a consequence, there has been mounting speculation that Harcourt could try a different strategy - for example, acquiring another large company to make it-self harder for Mr Maxwell to di-

The latest rumoured quarry has its intentions in accumulating this been Reed International, the British publishing and paper company. a single holding of this size could Reed's shares were traded heavily pose a serious threat to Harcourt if on the London Stock Exchange late

#### Squibb buys Cetus stake

BY LOUISE KEHOE IN SAN FRANCISCO

SQUIBB, the large US pharmaceut- Squibb will give Cetus approximate-West Coast bio-engineering company, have agreed to form a joint venture to develop and market biotech drugs. As part of the agreement, infective and anti-inflammatory dis-Squibb will acquire a 5 per cent eases. Both Cetus and Squibb will stake in Cetus

The alliance is seen as the largest

icals manufacturer, and Cetus, the ly \$75m, over five years, for research and development.

The joint venture will develop new drugs for cardiovascular, antimarket the drugs.

The alliance is seen as the largest In addition, Squibb has agreed in and most significant to date in the principle to purchase 5 per cent of US hio-engineering industry. Cetus stock for \$40m.

# Their credit choices are not al- ers' names are not always readily tors is borne out by current relative about the names that they will buy. ways logical. They have, for in- recognised in Europe and partly be- trading levels of bonds by US issu- Such issuers as Ford Motor Cred-Tight terms for Czechoslovakia

\$200m through an international representative office in Prague, ruf-bank loan at the tightest terms ever fled a few feathers in the market would like to expand the credit.

An answer is expected this week, more. according to bankers in the five-

Fifteen banks have so far joined, excluding the lead management group, which also comprises Bank Even with the apparent substantial support provided by the Japa-

surprise many in the market. The appointment of the Austrian Prov 25300 1,3502 16,257.1 7,840.7

raising bank, which last month opened a grace period - disturbed a few

The loan appeared to run into syndication almost complete, a total original members of the lead manof almost \$250m has been raised, in- agement group, Societé Générale,

513.1 5,225.4 3.1 4,907.0 192.0 244.8 65.3 332.0

last until July 1. The others are Alahli Bank of Kuwait, Arab Bank-ing Coporation, Dai-Ichi Kangyo Bank, First Chicago, Long-Term

12,751.8 36,626.5 48,884.8 18,755.1 38,894.8 57,649.9 11,836.0 16,907.5 28,743.5 16,103.2 21,946.3 40,049.5

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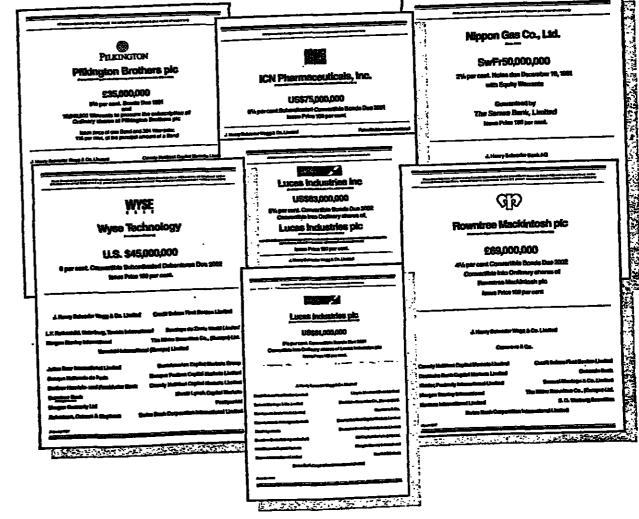
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istical information taken from Euromoney Bondware, Jenuary 1982 to April 1987,

April, 1987

# Benedetti widens Ferruzzi links

BY ALAN FRIEDMAN IN MILAN

ian entrepreneur, is planning to reinforce his shareholding and business alliance with Ferruzzi, the Rati holding companies. The second venna-based agro-industrial conwill see the formation of a new cern which also controls the Monte-

dison chemicals group.

It was learnt yesterday that Mr De Benedetti has agreed to sell, for an estimated L18bn (\$136m), half of his 18.9 per cent equity stake in Euromobiliare, the Milan investment bank, to Mr Raul Gardini, the Fer-

The transfer of part of his Euromobiliare stake to Mr Gardini is to be followed by two other developments. The first is that Mr Gardiner of a key 3.16 per cent equity 

MICHAEL TRANSPORT MEANS of a seven-year bond issue. The first is that Mr Gardiner of a key 3.16 per cent equity 

MICHAEL TRANSPORT MEANS OF A SEVEN-YEAR BOND ISSUE.

MR CARLO De Benedetti, the Ital ni's Ferruzzi will acquire a symbolic shareholding of around 25 per cent in CIR, one of the main De Benedetstockbroking firm, to be owned jointly by the De Benedetti group, Ferruzzi and Euromobiliare.

> move to strengthen the De Benedet-ti-Gardini alliance. Other joint ventures, especially of a financial na-ture, are likely to follow. The alliance was launched last

helping Mr Gardini to build up his control. The De Benedetti group then took a 5 per cent shareholding in Ferruzzi's Agricola main holding company and 10 per cent of Silos, the Ferruzzi grain trading and storage business. It is expected that the stockbro-The above three deals are seen in

Italian finance as a significant king business being set up in Milan move to strengthen the De Benedet- by Mr De Benedetti and Mr Gardini will handle separate and joint investments for the two groups.
CIR, meanwhile, is believed to be

planning to raise \$200m on the in-October when Mr De Benedetti's ternational capital market by

stake in Montedison to Ferruzzi, bank, is paying a nominal Libn to acquire a 10 per cant shareholding in Sofipa Intermediazione, a Milan investment comapany which is 51 per cent controlled by a merchant lium-term corporate finance in-

banking venture launched last year by Mediocredito Centrale, a state stitute. The Hill Samuel venture is designed to bring the UK bank into deals where Sofipa acquires minority shareholdings in unquoted companies and to position Hill Samuel to earn commission income on whatever outward flow of Italian investment develops as a result of the recent relaxation of exchange con-

## banks seek rights for offshoots

Japanese

By Yoko Shibata in Tokyo

TWELVE LARGE Japanese city commercial) banks have petitioned the Ministry of Finance to allow their overseas securities subsidiaries to establish representative of-

fices in Japan.

The banks have also proposed upgrading their representative offices to full brokerage subsidiaries at a later stage. Under Article 65 of the Securities Transaction Law, which was closely modelled on the US Giass-Steagall Act, Japanese banks are not allowed to engage in securi-

The banks' petition follows the ministry's decision on June 3 to permit 10 more foreign securities companies to enter the brokerage business in Tokyo, including four brokers affiliated with US commercial

The Japanese banks argue that, since the brokerage licences were issued to subsidiaries of US banks, which are subject under Japanese law to the same prohibition against brokerage business, the ministry has no grounds for stopping the Japanese banks' overseas brokerage subsidiaries from establishing a presence in Japan.

The ministry's approval of a Tokyo representative office for Au-brey G. Lanston, the US government securities primary des filiated with the Industrial Bank of Japan, has excited Japanese bank-

The ministry has not so far permitted an overseas securities affiliate of any Japanese bank to move into the Japanese securities mar-ket But officials say Lanston does not fall within the category of securities companies under Japanese law, noting that the company is registered with the US Securities and Exchange Commission as a specialised dealer in US government secu-

In all, 24 Japanese banks, includ ing city, long-term credit and trust banks, have 28 securities subsidiaries overseas. The letter to the ministry argued that Japanese banks had been operating securities business through their subsidi-The banks say that no conditions aries in the UK and Switzerland have been placed on the opening of since 1973 and had established solid representative offices by foreign and independent securities operation overseas, the banks said.

US DOLLARS 2.758 198 198 188 189 180 180 180 180 180 US DURLARS
Victor Co. of Japan ¶:
Victor Co. of Japan ¶:
Daiwo Danchi ¶:
Metsuya Co. Ltd. ¶:
Kansai Paint ¶: 244 144 144 144 144 144 144 1.375 1.375 1.375 1.375 1.588 8.875 Honture Int. (Eur.) Honture Int. (Eur.) Deivra Europe Yamaichi Sacs. Yamaichi lat. (Eur.) Tokyu Corp. ¶2 Pacific Dunkop \$5 Nikkan Chemicals 6.758 1.375 1.625 Daiwa Europe Yamaichi lst. (Eur.) Yamaichi lst. (Eur.) Glory Ltd. 92 Toyana Chesical ¶ Yamamura Glass Co. Ltd. 10.653 98.584 Pasco Corp. ¶ Cosmo Secs. ¶ 85 50 US DOLLARS 7.863 8.457 108 Angon N.V. 2 Predential Fun Prod.Becke Cap. Fanding Yamaichi lat. (Eur.) Presidential Funding Corp. 3 Nippon Oil and Fets ¶ D-MARKS 8.250 Deutsche Bask Morean Stanley GREN SWISS FRANCS Credit Seisse Credit Seisse Bl. Gutzweller, KB Banque Paribas (Sei Manyan Stanlay SA Credit Seisse 8.588 168 188 189 189 Sunstar Inc. \* 5= Toko Inc. \* 5= 8.588 2.588 1952 1994 Toko Inc. \*\* 93\*
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Tiroler Wasserverke 1997 1994 1997 4.750 4.718 180 SHV Holdings NV 5 180 1801/4 EIB # Bee. Indosesz Cop. Mits 500 1997 18 LITYFMROURG FRANC 7.438 Banque Paribas (Lux) 71/2 1081/4 308 1992 AUSTRALIAN DOLLARS Deutsche Bk. Cap. Mists. Orion Royal Bank 1988 1992 1992 GMAC Australian Finance \$ 13.496 12.844 10134 World Bank \$ CANADIAN BOLLARS blorgen Stanley Bge Paribas Cop. Mikts. Orion Royal Bank 5½ 4 5 GZ Benk : SNCF : 75 96 1**9**0 1991 1992 BM Canada 2 4.561 4.235 4.030 8çe. Peribas/RSJ Int. Dawa Europe Dawa Europe 4% 4½ 4% (c) (d) 76a 7.56a 506a 1993 Bergen Bank † NZL Cap. Corp. 5ta 1952 1992 ECU Boe. Paribas Cap. Mikts. Morgan Guzrenty 1.5**00** 7.220 18 188 75 1997

NEW INTERNATIONAL BOND ISSUES

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#### American Express raises LDC reserves

By Willem Hell in New York AMERICAN EXPRESS, the financial services conglomerate, will re-port a second-quarter loss of \$50m after taking a \$520m charge to cover a quadrupling in the loan loss reserve of its American Express Bank subsidiary.

American Express, which earned \$252m in the first quarter of 1987, announced that it was adding \$600m to the reserves for loans to less developed countries, primarily in Latin America, of its international banking subsidiary.

As a result of this action, the bank's loan loss reserve will total \$795m which represents 38 per cent of all Latin American loans, 32 per cent of all refinancing country loans and 10.6 per cent of all loans

The group's second-quarter loss of \$50m would have been considerably higher but for a \$142m aftertax gain on the sale of 18m shares of its Shearson Lehman Brothers

The group says that the company's consolidated earnings for 1987 are expected to be "among the best" in the company's history.

Mr James Robinson, chief executive of American Express, said that the action, which corresponds to recent moves by several leading banks, "allows a new level of flexibility in our continuing programme to manage the LDC debt portfolio of American Express Bank."

# Greyhound Lines to buy rival

BY ANATOLE KALETSKY IN NEW YORK

GREYHOUND LINES, the leading a privately-held company, will in-US bus company, which was threat-clude a commitment by Greyhound uled services on the 72-hour run the long-term decline in bus travel, is planning to buy Trailways, its

The deal would create a nearmonopoly in bus transport through-

out much of the US. The agreed acquisition of Trailways for \$80m, if approved by the Interstate Commerce Commission, could be the key to the strategic plans of Mr Fred Currey, the Texas entrepreneur who bought Grey-hound Lines for \$350m from greyhound Corporation three months ago, amid widespread scepticism about the future of long-distance bus travel in the US.

The New Orleans-based energy ser-

seamless tubular materials busi-

a profit of \$21m, or 57 cents, a share

year, the company made a loss of pre

US bus company, which was threat-clude a commitment by Greybound uled services on the 72-hour run ened last year by air fare wars and to maintain services where Trail-from New York to Los Angeles, for ways has a monopoly, but will involve the purchase of only 450 buses out of Trailways' fleet of 1,200. Mr Currey said no decision had been made about the future of Trailways 2,200 employees. Bus transport to small communi-

ties beyond the reach of airlines is generally considered a potentially viable business, particularly after the steep pay cuts Mr Currey has managed to force on Greyhound's employees since the acquisition.

There has been considerable doubt, however, about Mr Currey's rus travel in the US.

The deal agreed with Trailways, Greyhound in the long-haul travel

with a profit of \$59m or \$1.60 in

Before extraordinary charges

and accounting adjustments

McDermott's net income from con-

Mr James Cunningham, McDer-moti's chairman, said that all the

#### proposed merger. HK bank sees higher dividend

By eliminating Trailways as a

competitor for the limited number

of passengers on the main long-dis-

tance routes, Mr Currey would ap-

pear to stand a better chance of

maintaining his group's profitabili-

Yet with continued fare cutting

this summer - despite the recent

wave of mergers in the airline in-

dustry – there has been little let-up

in financial pressure, leaving Trail-

ways easy prey to Mr Currey's ad-

vances, and increasing the likeli-

hood of regulatory approval for the

By Our Financial Staff

HONGKONG and Shanghai Banking Corporation has reiterated plans for an increased dividend this year despite having to share in losses at its Marine Midland Bank subsidiary in the US.

Marine Midland, the 19th-largest US bank holding company, said last week it was making a \$400m provision against Third World loan losses, swelling its total loan-loss eserve to \$683m.

#### FCA may be broken up and sold piecemeal

FINANCIAL CORP of AMERICA, separate matter . . . it really de-the US savings and loan group pends on the acquiring entity." FCA cussed in a conceptual way, Mr the US savings and loan group which has been struggling to recov-er its balance, may be broken up been holding talks with possible and sold in pieces, Reuters reports acquirers. It is pos

It is possible that a buyer would Mr William Popejoy, FCA's chairman, said: "It is highly conceivable that the real estate portion (of the company) would be handled as a property interests, Mr Popejoy said.

It is possible that a object which is the largest of savings and loan association, is now only the company's savings and loan association, is now only the company of its company) would be handled as a property interests, Mr Popejoy said.

Popejoy added.

Financial Corp. parent of the group which is the largest US sav-

# How much do you really know about SWAPS, EUROBONDS, GILTS, CURRENCY OPTIONS AND **FOREIGN EXCHANGE?**

**McDermott plunges** 

McDERMOTT INTERNATIONAL. \$102m or \$2.77 a share, compared

vices group, suffered a net loss of 1986. Revenues in fiscal 1987 were

\$260m or \$7.03 a share in the latest up 6 per cent at \$3.29m, compared quarter, after a net provision of with \$3.11bn the year before.

\$224m related to the closure of its Before extraordinary charges

The loss for the quarter, which timuing operations increased in fisended on March 31, compared with cal 1987 to \$87m from \$83m.

For the whole of the 1987 fiscal profitability remained under severe

in loss of \$260m



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March 1987



CHMICAL INVESTMENT 

# US MONEY MARKET RATES (%) US BOND PRICES AND YIELDS (%) NRI TOKYO BOND INDEX December 1923 = 100 3.92 141.26 138.05 131.53 140.77 143.89 139.51 140.48 138.44 141.33 139.47 135.28 132.81 138.20 134.36 139.68 137.15

Tidd 8.24 11.51 12.52 11

# Bond market regains its composure as inflation fears recede

dollar.

US MONEY AND CREDIT

Hopes are running high for a quick return to the 8 per cent yield level which has been seen as a market floor for almost a year before the debacle of March and April.

With the Treasury long bond yielding 8.47 per cent on Friday at a price of around 103, it would take a further improvement of just over 4 full points to push the yield below the 8 per cent mark. If only the dollar could be relied upon to live up to its new robust image, there would be no problem in predicting a rally of this magni-tude before the end of summer. The market's inflation fears appear to be receding almost as rapidly as they developed— at least in the sense that

+81<sub>8</sub> +83<sub>8</sub> +81<sub>9</sub>

FT/AIBD INTERNATIONAL BOND SERVICE

Halitan BS 2/25 96 (B) £
Hessische Landeskik 96
Icesand 19 00
Iresand 19 96 £
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KB Iffana 0.15 11
Korea Exchange Bk 19 00
Lincoln S & 1.19 99
Linfall Corpus 19 01
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THE US bond market is they are taken for granted and gradually regaining its comseem to have lost their power to the production statistics, came posure, as investors begin to shock. The producer price from improvements in US exsuspend their disbelief in the index reported the week before new-found stability of the last was somewhat better than coming on top of moderately delice. index reported the week before last was somewhat better than expected, while the wholesale index for finished consumer goods, considered a good proxy for retail prices, increased by only 0.3 per cent in May.

#### Steady growth

Meanwhile, the news from the industrial economy has continued to present a picture of slow but steady growth, with neither significant acceleration nor recession in sight. Last week's upward revision of firstquarter GNP figures from 4.4 per cent to 4.8 per cent, and the robust 0.5 per cent growth in industrial production, were not seen by bond investors as por-tents of a worryingly strong economy. Rather, the bond mar-ket took them to be somewhat expectations of 5 per cent infla-tion are now so widespread that bullish signs, since much of the

844

Chg on week 4 + 184 on the second of the sec

Yeld 9.94 9.43 9.66 9.72 10.80 9.24 10.13 10.42 9.29 8.43 9.45

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ITT 4½ 87 50 1943,
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Lorinar-Telepics 6 01 198 983
Mewmont Mining 7 01 180 1244,
Mispon Selks 3½ 99 78
Rocketeller Cestre 0 00 992
Rocketeller Cestre 0 00 992
Saviss Bank Corpn 6½ 90 120 142
Testace Capital 12½ 94 50 993,
Testace Capital 12½ 94 50 993,
Tashiba Ceramics 3 00 50 156½
Xerox Corpn 5 88 75 964

YEN STRAIGHTS In Allied Signal 64, 93
Anno Products 64, 93
Barciags 078 6 96
BFCE 54, 96
Canadian Pacific 64, 96
Doemark 64, 92
Dow Chemical 7, 94
Eurofina 64, 95
Eurofina 64, 95
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Eurofina 64, 92
FMMA 67, 92

port performance.
Coming on top of moderately better trade figures this month, these statistics helped to underpin the view that devaluation is finaly beginning to work its magic on the industrial economy—and to do so with sur-prisingly few inflationary costs.

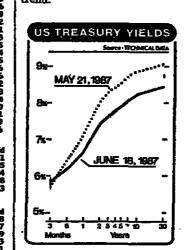
Indeed, sentiment is now so intensely focused on the long-awaited benefits of devaluation for the US economy, that the bond market is coming to interpret strong production figures as bullish, rather than bearish, for interest rates.

Further signs of strength in the industrial economy, accordthe industrial economy, according to the newly established view, will take the pressure off the dollar and pacify protectionists in Congress. For the bond market, the argument continues, the benefits of a stabilising currency will far outweigh the traditional disadvantages of stronger domestic credit demand, which normally accompanies an economic upturn.

There is only one problem

There is only one problem with this bullish story. While it has been good enough to keep the recent rally going in very thin markets, the strong dollar case has not yet inspired either domestic or foreign insti-tutions to commit large-scale

funds. The same caveat applier to the strength of the dollar itself.
Recent events have certainly put a temporary stop to the one-way speculation against the US currency, but trading has been too thing and indecisive to convince the markets of anything like a fundamental change in



Looking further ahead than one month's statistics, the ambivalence is understandable. The dollar devaluation may have succeeded in stabilising or even reducing the US trade deficit somewhat. But as the Organisation for Economic Co-operation and Development pointed out last week, in one of the gloomiest reports it has

of the gloomiest reports it has written for over a decade, there is a big difference between stabilising trade deficits at around \$150bn and reducing these deficits to numbers that might be manageable in the long term.

In terms of the latter criterion, there seems to be no reason to regard the present structure of exchange rates as sustainable. At present ex-change rates the OECD predicts a marginal improvement in the US trade deficit next year. But this is no new trend beginning.

#### Gloomy report

Looking further ahead, the OECD projects that "the US current account deficit and the Japanese surplus could widen again in the years beyond 1988, leading to an unprecedented accumulation of net external liabilities and assets by these two countries."

In other words, there has been no decisive improvement yet in the US balance of payments. And without such an improvement, the evidence for a decisive change of trend in the dollar is thin at best.

\* THE FOLLOWING statistics are due for release this week, along with estimates of market expectations as surveyed last Friday by Money Market Services of Redwood City, California:

• The consumer price index for May (Tuesday, 8.30 am) is expected to show a rise of 0.4 per cent, identical with the increases recorded in April, March and February. The 43 estimates sur-veyed range from no change to a jump of 0.6 per cent. Durable goods orders for May

(Tuesday, 8.30) should show fall of 1.5 per cent, according to the median forecast. The 28 estimates range from a fall of 3 per cent to a rise of 0.6 per cent. This volatile series sho no change in April after big gains of 42 and 6.7 per cent respectively in the previous two months.

#### **UK GILTS**

# Old worries revived as expected buyers fail to appear

cessive election victory with a market seems to have deterior-healthy overall majority for the UK Government bond market The post-election period could

consumption and therefore worries about the trade balance.
The pound's impregnability was
punctured and there seems very
little chance of falls in interest rates, at least in the short-term.

The real sting in the tail came on Friday afternoon, when Lloyds Bank announce it was pulling out of market-making in gilts and Eurobonds. On the gilts side, the news came as no great surprise: problems at Lloyds had long been a focus of pessimistic talk. The withdrawal appears to have been orderly but never-

market.

All the signs are that, since Big Bang, the bulk of the business has been monopolised by a relatively small group of primary dealers, leaving some of the rest asking serious questions about the returns they are making on capital.

Of course, there are houses which are not in the top rankings but which are running a perfectly satisfactory business none the less. Several put in place tight teams, often from existing personnel, did not give out huge salaries, and are covering their costs.

Yet there are others which went for market share with large, highly paid teams and which have found the going much tougher. It may be easier for some of them to face the embarrassment of pulling out, now that the first casualty has emerged.

Others may find themselves vulnerable to large-scale poaching or full takeovers in the months leading up to the first anniversary of Big Bang. The market is already hearing whispers of head-hunting activity on behalf of Nomura, Daiwa and Morgan Stanley-to name but three. Lloyds' decision comes after

a very difficult six weeks, when trading was in a tight range with little direction, the most difficult situation in which to

IT HAS TAKEN only a week make money, and the average since Mrs Thatcher's third suc- level of profitability in the

neathy overall majority for the UK Government bond market to sink into gloom.

Last week's figures showing a persistently strong appetite for credit and rising average earnings revived all the old worries—higher inflation, talk of capacity constraints in industry at a time of fast-growing consumption and therefore net sellers.

On top of this, the gilt market faces a supply burden, both immediate and in the longer-term. There was selling of the 81 per cent 2000 issue before its call payable today and, if this is repeated with the two other sub-stantial calls over the next fortnight, the market could sruggle. More generally, he substantial build-up in reserves has left the Bank of England underfunded over April and May to the tune of £5.1bu.

to have been orderly but never-theless sent ripples through the Treasury 113 per cent 2003/07 rose to about 9.07 per cent at Friday's close compared with 88 per cent a week earlier. The 9 per cent mark has been a formidable support level this year but on Friday the barrier fell with very little resistance.

Short yields too reflected the waning of hopes for lower interest rates, moving about 9 per cent in line with three-month money. Index-linked did better than conventionals, a sure sign that inflationary expectations hve taken a turn for the worse.

The gloom seems to be in res-ponse to an overall economic picture which, at a stretch and over time, could show the classic signs of overheating-higher wages, falling unemployment, fast growth and buoyant consumption.

It seems to be a case of having enjoyed enjoying "boom ing enjoyed enjoying boom" Britain while it was attracting votes and finding it painful once it starts to push wages up.

Maybe these concerns are somewhat exaggerated amid an air of anti-climax after the dizzy euphoria of the election run-up. If the dollar and the US bond market start falling again, sterling and bonds may pick up. However, nobody seemed to see much mileage in fixed interest at the end of last week

19th June, 1987

**Janet Bush** 

These securities have been sold outside the United States of America and Japan. This annou

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# Midland checks the rumours about its debt provisions

Midland Bank over the weekend sought to check the rising tide of rumours in the City about the launch of a massive rights issue, by making it clear that no decisions had been taken on how to handle provisions on Third World debt, writes Paul Cheeseright.

The assumption in the City has been that Midland would be forced to increase its capital in order to meet the cost of provisions that could go above £1bn.

"No decision on how to handle provisions has been that Midland is considering asset sales and may itself have become vulnerable to a take-over.

Midland's exposure to the devloping countries is higher than that of the other clearers at £4.2bn. Of that figure, £1.4bn is taken up by loans to Brazil, £1.3bn by loans to Mexico and

handle provisions has been made. We've been thinking about it for a long time," said

spokesman. Speculation about a higher level of provisions at the Mid-land, with a covering rights issue, has been in the air for some time, but surfaced strengly again at the end of last week in the wake of moves by National Westminster.

Last Tuesday, National Westminster announced extra pro-visions of £466m. Such provision was equivalent to 30 per cent of its exposure to less developed countries, in contrast to the 25 per cent level which had become the norm among American banks after Citicorp took a provisions initiative last

ing the total level of provisions up to £1.02bn, according to City estimates. This would absorb about two years profits, it is same time, City ber 31.

#### **BOARD MEETINGS**

TODAY

Drummond, Estates and Trust. Optometrics (US), croft. Wyndham.

become vulnerable to a takeover.
Midland's exposure to the
devloping countries is higher
than that of the other clearers
at £4.2bn. Of that figure, £1.4bn
is taken up by loans to Brazil,
£1.3bn by loans to Mexico and
£700m by loans to Argentina.
The loans to these three
countries account for 6.1 per
cent of total Midland group
assets. In 1986, Midland made
provisions of £160m against bad
and doubtful debts. Its existing
provisions cover 6 per cent of
its exposure.

#### Electra Trust's

asset value up 30% Electra Investment Trust's net asset value per share rose by 30.65 per cent in the year to March 31 1987, with total assets currently at £443.9m.
Directors attribute the rise to substantial realised and

American banks after Cittorp to substantial realised and unrealised gains among Electra's unlisted investments and the strong performance of the listed portfolio. Its listed investments at £215.1m, increased on the same scale as NatWest has made would involve bring company's net assets, partly due to the number of unlisted investments achieving quota-

The trust has changed its year end from March 31 to Septem-

June 24 ing for a 50p first day premium to bring it into line with the July 1 sector.

All these Notes have been sold. This announcement appears as a matter of record only.

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June, 1987

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#### **Caradon** valued at £134m

By Richard Tomkins

Caradon, the branded buildng products maker best known for its Twyfords bathroom products and Mira showers, today publishes the prospectus for an offer for sale which will bring it to the market at a capitalisation of £134.4m.

S. G. Warburg, the merchant bank, is offering 13.45m shares

— 25 per cent of the enlarged
equity — at 250p each, with all
the net proceeds going to the company. Stockbroker to the issue la Cazenove.

The company was formed through a £61m buy-out of its subsidiaries from Reed Inter-national in 1985. Its manage-ment team includes several ex-Rediand executives and the board is headed by Mr Antony Hichens, formerly director of Redland. Hichens, finance

The prospectus shows operating profits rising rapidly in the wake of the buy-out from £9.7m to £16m in the year to March 1987. The pre-forma historic PE is 14.5.

#### comment

It is a long time since the building materials sector has seen a new entrant, so an issue of Caradon's size inevitably attracts attention. Interest will be further stimulated by the be further stimulated by the public's familiarity with the brand names and the City's familiarity with the management. Caradon is not without its weak points: the brevity of the track record, the ill-fitting and low margin plastic mouldings operations, and question marks over the durability of the UK consumer spending boom are points of concern. But with no yendors to be greedy over the vendors to be greedy over the price, the rating makes generous concession to these factors and the possibility of a sour market. With £18m in sight this year, the prospective p/e is a humble 11½, and enthusiasts are lookTrafalgar House makes £200m offer for PFPUT

# Questions of valuations and loyalties are main barriers

BY PAUL CHEESERIGHT, PROPERTY CORRESPONDENT

"Values in a rising market

just the valuations," PFPUT

PFPUT is using the new

valuations as a means both of staving off Trafalgar House, and

of encouraging the loyalty of its unit holders—the pension funds. The bid price of its units rose 11.7 per cent in the two

months to June. But they had

The difficulty for the PFPUT

committee of management is that generally the pension funds

have been reducing their property investment and par-

ticularly have been redeeming their units in PFPUT and other

The annual report showed

repurchased by the Trust which had to liquidate property assets to do it. The cost of

more than double the number in 1985-86 and reduced the total number of units to 82,440

9,658 units waiting to be re-

That number has fallen since because pension funds have been waiting to see the outcome

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Agent Bank: Morgan Guaranty Trust Company of New York London

International

Shop

purchased.

trials).

(Stores).

been static for a year.

property unit trusts.

noted.

THE Pension Fund Property The PFPUT Portfolio Unit Trust (PFPUT) is running its defence against the takeover bid for its property portfolio by Trafalgar House, the shipping, Analysis by Class construction and progroup, along three paths. of Property This has become apparent both through public statements by Mr Cecil Baker, the chair-man, and the just published annual report. The three paths are: The claim that the portfolio itself is well-managed with a programme of refurbishment and upgrading, especially in the City of London offices sector.

• The argument that the value of the portfolio is increasing of the portion is increasing both because it is heavily weighted towards offices and retail property, and because the new flexibility given to the use of industrial property will enportfolio was sharply revalued immediately after the first Trafalgar House approach suggests that the monthly valuations it was receiving from Jones Leng Wootton—and on the basis of which the Trafalgar House bid was made—understated the property hance values. • The promise of an exciting future linked to the possibility of a listing on the Stock Ex-

But it is, of course, the possi-bilities of a portfolio of en-hancing values that attracted Trafalgar House in the first place. And the attraction has been strong enough for it to lift the total cost of its bid from £187.7m to £200m. are likely to be going up faster than the valuers take account of. They're relying on the evidence of transactions to ad-

It was not the first on the cene. "The Trust has rescene. "The Trust has re-ceived a number of ap-proaches," said Mr Baker in his chairman's statement. Some of these, it is true, were of the if-you-happen-to-be-in-the-we'd-be-interested variety.

The approaches underscore the point, though, that PFPUT has looked vulnerable as aggressive property companies search out every portfolio that might be undervalued.

Hence the spate of takeovers of the small and medium-sized investment companies. And the speed with which the PFPUT

Trafalgar House approach.
What has happened is that the pension funds have been re-ceiving an annual rate of return on their capital and income com bined much lower than that from equities and gift-edged stock.

PIPUT's rate of return in its last financial year was 6.1 per cent against 29.1 per cent for equities, and 11.2 per cent for gilts. And, as the annual report makes clear, over the last ten year the return on PIPUT per cent compared with 24.8 per cent for equities and 16 per cent for gilts.

Indeed, the gross distribution by PIPUT on each of its units has hovered between £134.95 and £141.95 for the last five years. The peak was in 1984, the through in 1985 and the distribution in the last five provided the second tribution in the last financial year £137.85.

Taking the eight property unit trusts which make up the Phillips and Drew property unit trust index, PFPUT's rate of return over ten years is frac-tionally above the index average and would come fifth in a rank ing of the eight.

PFPUT, in short, is no more nor less sluggish than others in a sector whose leaders concede that performance in the past has been a bit sleepy. On normal commercial grounds, the trusts are ripe for takeover.

The difficulty for Trafalgar House is that it cannot grasp the PFPUT portfolio unless holders of 75 per cent of the units agree to sell. This means that its effort of persuasion will have to be lengthy if it is to be

But the PFPUT committee of management is looking to a future life without Trafalgar. It wants authorised status—that is it would be able to advertise to sell its units to a public wider than the pension funds—and said Mr Baker in his statement "The trust, once authorised, should qualify for a listing on the Stock Exchange."

that in the year to last March, 13,284 PFPUT units were redeemed—that is, they were In thet context of the Trafalgar bid, however, this is long term. The property unit trusts have first to sort out the regulatory framework with the Department of Trade and Inrepurchasing the units came to £28.3m and the proceeds from property sales came to £41.9m. dustry and the Inland Revenue, and then arrange listing re-quirements with the Stock

This level of redemptions was And an authorised trust would be a very different animal from the present trust. by the end of last March. At that time, there were a further pension funds could lose the tax-exempt status of their investment.

So it is a most point whether the future Mr Baker holds out would necessarily appeal to the unit-holders, and whether it is a very effective weapon of bid defence when pension funds have seemed increasingly drawn to short-term returns.

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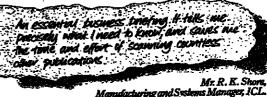
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42,777	Walter Alexander		+ 3	5.0	3.0	15.8
<u>4,551</u>	W. S. Yeates	195xd		17.4	8.9	19.5
4,240	West Yorks Ind Hosp (USM)	105	- 1	5.6	5.2	11.1

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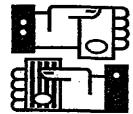
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# **FINANCIAL TIMES**



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investors are back in the market but in terms of major currencies bullion has only started this year to rise from its

lowest levels of the decade. Several factors have sparked the return to favour such as heavy buying by Japan for Hirohito coins, says Stefan Wagstyl.

# **Bullion is back** in favour

looking seriously at gold once more.
After diminishing interest for most of the decade, the precious metals markets have in the past year been transformed by a modest surge in investment. From a low in early 1985 of

\$284 an ounce, gold rose to a four-year peak of \$482 this spring; platinum prices have soared in the same time from \$237 an ounce to more than \$600; even silver prices, which for a long time failed to respond to movements in gold and platinum, made a spectacular leap earlier this year doubling to more than \$11 an ounce in hec-

bined to set these markets moving are still present. Above all, Fields, the mining company concerns about the US federal deficit and the American exter-nal deficit, which have scared world financial markets, have not diminished in the past year. However, it would be wrong to

exaggerate the shift in senti-ment which has occurred. All that gold has achieved in a few jumps since last summer is, belatedly, to recover the value which it lost when it failed, at

early phase of the decline in the US dollar in 1985. In terms of other major cur-rencies, bullion has only started rising from its lowest levels this decade since the beginning of 1987. The chart above shows the performance of gold in terms of

Japanese yen. Europe and North America and, above all, Japan have, to some above all, Japan have, to some extent, been offset by a sharp decline in buying in the Middle East, where falling oil prices have hit the pockets of Arab investors very hard.

Nevertheless, Mr Keith Smith, managing director of Mocatta and Goldsmid, the London bullion harb corre. "The difference."

Gold was last week trading at s7.60.

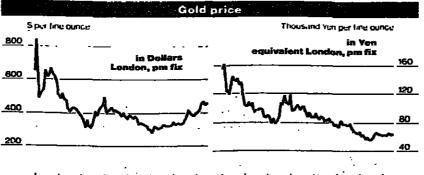
Gold was last week trading at s7.60.

Gold was last week trading at s7.60.

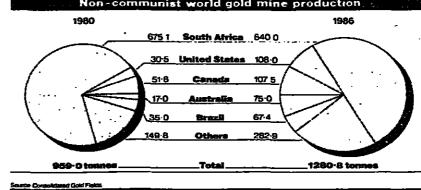
Gold was last week trading at s7.60. t \$7.60. . . . even a year ago they were But the fears which have com- not really there."

Consolidated Gold which is known for its caution in making market forecasts, said in its 1987 annual report: "The growing perception that gold has a role to play as a form of insurance against all kinds of financial and political cataclysm, not merely inflation, seems certain to encourage to tonnes, or half the Western investment demand." investment demand."

A number of events in the precious metals markets over the past 18 months have com-



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# ld and Precious Metals

bined to kindle this investors

The Japanese government's buying of gold early in 1986 for minting coins to mark the 60th anniversary of the reign of Emperor Hirohito, Japan's Head of State, took an unex-pectedly large amount of bul-lion off the market.

The importance of the coin issues, which absorbed 182 tonnes of metal, is compounded by the fact that the 100,000 yen coins were sold at more than double the value of the gold contained. So prices would have to rise spectacularly before these commemorative coins could be sold at a profit. The official issue encouraged a huge

The competing efforts of

metal.

awareness of bullion, particu-larly in the US, where the More in newly-launched American Eagle has done spectacularly well. Silver Eagles too, have

Platinum brought speculative investors back into precious metals in mid-1986 when prices rose and hit a brief September high of \$682 an ounce, the highest since 1980, on fears that South Africa, supplier of four fifths of the West's metal, might interrupt shipments in retaliation to Western economic sanctions. Johnson Matthey, the refining and marketing com-pany, estimates that investors bought 75 per cent more plati-num last year than in 1985 and accounted for 16 per cent of the sales of what is primarily an industrial metal.

been popular.

world's supply of new mined Gold rose in the wake of platinum as investors traded the two metals against each other, not believing that platinum could

increased the private investors' maintain premiums over gold of are difficult to quantify because of gold in 1975-85 amounted to

More importantly, in the autumn, some investors took fright at the heady rise in US bond and equity markets. Fears about America's mounting gov-ernment and external trade deficits prompted a re-assess-ment of the country's financial health. As these concerns mushroomed in early 1987, the decline in the dollar suddenly accelerated and bullion soared.

More evidence that sentiment had shifted in favour of metals came with the spectacular rise in silver prices in March and April. The metal's failure to respond to the 1986 rise in gold had led some analysts to question its status as a precious metal. This all changed in a few hectic days' trading, when silver played its traditional role of moving faster than gold in the early stage of a bull market in precious metals.

Investment purchases of gold

buyers like to be discreet. Gold just 0.45 per cent of the value of which show a similar rising funds to transform the bullion trend for last year but reach a market. higher total because they include purchases of coins and medallions as investments, whereas Gold Fields considers

Goldman estimates that Western world investment more than doubled last year to 718 tonnes—or the equivalent of over half the Western world's newmined production which total-led 1,300 tonnes.

of any forecast of gold prices. On the one hand, the amount of money invested in gold is minute in relation to the size of the global financial markets. Shearson Lehman Brothers, the US trading company, estimated earlier this year that the total like a year of extreme political value of investment purchases or financial distress.

Fields estimates are detailed in capitalisation of world equity an article in the survey. Gold-markets. So it is obvious that it man Sachs, the US investment would take only a propbank, has published figures ortionately very small shift in

On the other hand, it is equally clear that investment demand is crucial to the gold market. Investor purchases will have to grow in order to absorb the steadily increasing output of the world's mines. Encouraged by high profit margins, mining companies have developed scores of new gold mines in the

ed 1.300 tonnes.

These arguments led Goldman, in a report published in April, to be more cautious than most forecasters. Given that the Hirohito issue was a one-off event, it was difficult to see how investors could buy as much gold as last year, said Goldman. It added that 1987 did not look

#### **CONTENTS**

Share market London buillion trading Supply and demand South Africa

More bullish analysts point out that gold would react to pre-cisely the kind of unexpected event which by definition can-not be predicted. They argu-that imbalances in world trade and debt make the world eco-nomy acutely vulnerable to sud-den shorts.

nomy acutely vulnerable to sud-den shocks.

Mr Guy Fleld, senior vice president of Morgan Guaranty and former bead of the bank's bullion and foreign exchange operations, says: "I think people are beginning to lose a bit of faith in the financial mar-kets."

Other observers suggest that even if precious metals prices shoot up in response to an eco-nomic or political shock then they might not stay high for very they might not stay high for very long. Investors, so the argument goes, have become more attuned to looking for short-term returns. They would sell once prices steadied.

There has already been enough buying and selling of precious metals in the past 18 months to bring a healthy increase in traders' revenues. On the Commodity Exchange in

On the Commodity Exchange in New York, volume in gold futures last year increased for the first time in five years. On the New York Mercantile Exchange, platinum trading more than doubled to 16m contracts. This year silver trading soared so fast in April that it swamped the Comex clearing

There are no comparable figures for off-exchange bullion markets. But bankers in New York, London, Zurich and Tokyo all say business was up last year and has not fallen away in 1987. Only Hong Kong, among the major centres, saw a decline in trading last year, largely because of the competing attractions of soaring local stock markets.

The continuing globalisation of bullion trading has meant that markets tend to benefit simultaneously from any upturn in volume. However, if most of the centres complement each other by being in different time zones, they continue to compete, as individual companies battle

In Europe, it is clear that Lon-don has been gaining ground at the expense of Zurich-although Swiss bankers deny this. Several overseas banks have in the past year made plans to start bullion operations in London—among them Union Bank of Switzerland, and most recently the Japanese trading

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nothing goes up forever, and many indices are now signalling fundamental difficulties in the economy-renewed inflation coupled with slowing growth, gyrating currencies, see sawing stock markets.

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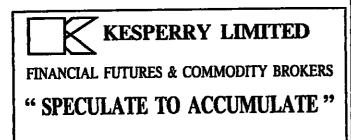
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# Share market

# Crucial link with metal price

SHARES IN Eastmet, a small Australian gold company, were on sale at 50 cents last year. Now they are about \$A1.50. It is not unusual for a speculative gold stock to rise in this way—over the last 12 months Eastmet has successfully brought on stream a modest open-cut mine called Youanmi, in Western Australian stream and the stream and called Youanni, in Western Australia, which is planned to produce over 35,000 ounces at

What is significant however is What is significant however is the extent to which the performance of Eastmet's shares has been repeated in stock markets around the world. Despite the fact that gold shares have fallen back quite sharply from their peaks in early May, the Australian Gold Index now stands 270 per cent higher than it did at the beginning of 1988; the Toronto gold Index has soared 93 per cent.

cent.
Even the politically-blighted
South African market has been
set alight. The FT Gold Index of
South African stocks stands 59 per cent higher than at the beginning of 1986. Where the shares go next depends crucially on the gold

price — stockbrokers who believe gold will fall are advising investors to sell. Those who think the opposite, argue that

Australian shares reacted fastest, partly because they were seen to be cheap in comparison with North American stocks when valued on a multiple of likely earnings. Mr Bob Hawke, the Prime Minister, gave the market a further boost by rejecting proposals to start taxing gold companies. Fears about the future of the

Fears about the future of the US economy, and therefore about the US financial markets, emerged in the autumn and added weight to the arguments for buying gold stocks as an insurance, especially for investors with dollar-based assets. As these concerns grew and the dollar plummeted, after

Christmas the rise in gold shares accelerated and even the gloomy South African market started rising because its stocks looked so cheap in relation to the rest of the world.

By the standards of industrial New Guinea—Porgera and Mis-

ignores two things. First, gold mining may be one of the oldest industries on earth but it is cur-

tinue to pour into exploration and development, increasing the chances for yet more mines coming on stream.

Investors pay a premium for those producers which have an attractive portfolio of explora-tion projects. An example is Placer Pacific, the Australian vehicle of the Canadain group

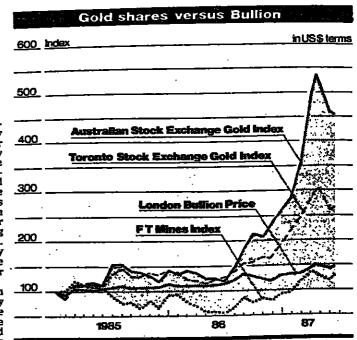
ima Island.

The second reason why investors are paying considerably more for gold shares than for industrial equities is that they expect gold prices to go up. The bullion price is the prime determinant of the price of gold stocks—but the two do not move executive narrallel. Share prices exactly in parallel Share prices tend to be more volatile than the bullion price—rising faster in a bull market and falling

in a buil market and falling more quickly in a bear market. This is because gold company earnings increase by an average of 20 per cent for every 10 per duce 500,000 ozs a year by 1988—double the 1985 figure.

Average total costs, including depreciation, were \$214 an ounce outside South Africa in 1985, and lower still last year, according to Consolidated Gold than the situation in mid-to late-1979 with the metal finally attempting to catch up with the late-1979 with the metal finally attempting to catch up with the shares. In 1980 shares doubled from corresponding levels."
Forecasters who are bearish

about shares, on the other hand, are bearish about bullion. They argue that, as a defensive measure, investors should at least protect themselves from the greater volatility of shares by



Certainly they are influenced by bullion prices like other gold stocks. But the twists and turns of the country's political crisis of are equally important.

In the spring, hopes that reform-minded candidates including Dr Denis Worrall, South Africa's former ambassador to Britain, might do well in switching to bullion. the May General Election, sup-South African shares are a special case in the argument. African golds. In the event,

South Africa lurched to the right and shares fell back.
It follows from the discussion of the relationship between shares and bullion that the tim-ing of an investment decision in the gold share market is usually more important than the choice of stock. Nevertheless, the growing number of listed gold companies offers plenty of scope for trying to pick winners.

Stefan Wagstyl

#### London bullion trading

# Reforms on the way

trol with other banks and trad-ing companies in the City. By the standards of some

other financial markets the proposed reforms are modest. But for the London Gold Market they amount to an important break with the past. They show how the gold market is responding to the pressures of international competition and of demands for regulatory reform from the Government—the same pressures which are reshaping virtually every other

THE LONDON Gold Market is in the doors of their oak-panelled the throes of its greatest change sanctum—the room in the some of these associated for nearly 70 years. The five offices of N M Rothschild where long complained, alb bullion houses which have run the market since 1919 are later this year planning to share containing to share containing to share containing to share containing the first of the doors of their oak-panelled suisse of Switzerland. Some of these associates the twice-daily "fix" or pricing creetly, that their fixed properties the sanctum—the room in the some of these associates the sanctum—the room in the some of these associates the sanctum—the room in the some of these associates the sanctum—the room in the some of these associates the sanctum—the room in the sanctum—the room in the some of these associates the sanctum—the room in the some of these associates the sanctum—the room in the some of these associates the sanctum—the room in the some of these associates the sanctum—the room in the some of these associates the sanctum—the room in the some of these associates the sanctum—the room in the some of these associates the sanctum—the room in the sanctum—the room in the sanctum—the room in the sanctum—the sanctum—the room in the sanctum—the sanctum—the room in the sanctum—the sanctum—the sanctum—the room in the sanctum—the sanctum on them. This will remain the lucrative preserve of Rothschild, and the other fix members—Mocatta Goldsmid, Sharps, and Sharps, Pixley.

Samuel Montagu, and Mase Westpac (formerly Johnson Matthey Bankers).
However the houses intend to involve the market's 50-odd associates in its future manage-

ment, especially the 10 or so companies which actively trade bullion in the wholesale market, among them Shearson Leh-man Brothers and Morgan market in the City.

The market's five members have no intention of opening up

Morgan

Morgan

Guaranty of the US, Canada's

Bank of Nova Scotia, and Credit

Some of these associates have

long complained, albeit discreetly, that their financial power was not reflected in the market's undemocratic structure.

The Bank of England, which did the bullion market an incalculable favour by rescuing Johnson Matthey Bankers from collapse in 1984, has also been quietly pushing the fix members towards reform. And the Gov-ernment's Financial Services Act, which came into effect late last year, has provided the

opportunity.

Under the legislation, the Bank of England's authority to regulate city markets — includ-ing bullion — is being formal-ised. The Bank intends to publ-ish rules for these markets later this year, incorporating written

codes of conduct.
It will also publish lists of "fit and proper" institutions authorised to operate in each market It is up to individual companies to apply for listing. The codification of these

rules has prompted the bullion market, among others, to formalise the contacts between members, so as to create stronger organisations capable, if necessary, of lobbying the Bank, the Government, MPs and the public.

"The major role will be to naure that London continues to hold its position as the major market centre in the world market," says Mr Robert Guy, chair-man of the London Gold Market. Mr Guy is leading a steering committee established to draw up rules for a new body which will probably be called the London Bullion Market Association The regulations are still being drafted, but it is likely that the association would be run by an elected committee in which three groups would be separately represented—flx traders, wholesale traders, and non-trading companies such as

refiners and jewellery makers.
This tripartite structure would fall somewhat short of being fully democratic. But Mr Guy argues that it would reflect the weight of the different interests in the market interests in the market. It would also reflect the grow-ing internationalisation of the London market. London houses

have set up trading offices

Bullion dealers in action in London which claims to have beaten off the challenge of competition from Switzerland

abroad, in New York, Hong Kong and elsewhere, while foreign companies have come to the City.

The number of overseas groups, especially US companies, trading in London has been growing steadily since the abolition of exchange controls in 1979. The latest companies to disclose plans to start trading include Union Bank of Switzerland (Credit Suisse has been active for several years) and Deutsche Bank.

Traders at some of the over seas companies say that they have won market share from the five members of the fix. Such claims are difficult to measure in a mar secret

What is clear, however, is that London market as a whole ha grown because recent arrivals have brought more clients and more business to the City. They seem to have assured London of its position in what has become a 24-hour global market in gold

Mr Guy Field, senior vice-president of Morgan Guaranty who previously worked for Samuel Montagu and for Philipp Brothers, the US trader, says "Most of the major houses have brought a lot of business to London. They have underlined its pre-eminence in the world

London bullion bankers are confident that they have now beaten off the challenge of competition from Zurich which in the early 1970s rivalled London in importance. This was after the Swiss banks won a virtual monopoly of South Africa gold sales in 1968.

London traders say that, although Zurich remains an important bullion centre, the fact that two out of three of the big three Swiss banks are now trading in London speaks for itself.

Stefan Wagstyl





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#### **GOLD & PRECIOUS METALS 3**

Supply and demand

# Japan keeps the market buoyant

THE RALLY in gold prices, which has seen the metal go from under \$400 to over \$450 an ounce, owes almost everything

Japanese investors were last year more important than anyone in buying up the increased supply of metal from newly-opened mines around the world and from sharply increased sales to the West by the Soviet

Union and China.

Their significance in pushing up prices highlights the importance of analysing the gold market in the context of the general climate for competing forms of investment

In the past year fears about the political future of South Africa have played their part in influencing the market. But investors have been motivated primarily not by concern about shifts and possible shifts in the supply and demand for gold but by changes in the mood of other financial markets, above all in the US stock and bond markets. However, a look at supply and

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demand in the gold market itself does provide some indications of changes in investors' behaviour.

Last year Middle East investors, so often a mainstay of the market, sold more gold than they bought as falling energy prices hit their pockets. But Japanese investors more than made up for the shortfall, stimulated by the fact that gold remained near record lows in yen terms and by the issue of coins to mark the 60th anniversary of Emperor Hirohito's reign.

Consolidated Gold Fields, which publishes an annual report of the market, estimates that investors outside Europe and North America bought 220 tonnes of gold in bars, against 110 tonnes in the previous year. 310 tonnes in the previous year. In addition, the Japanese used 182 tonnes of metal in the Hirohito issue, which was not strictly a bullion coin because it was

priced high above the value of the contained gold.

In Europe and North America investors bought a net 81 tonnes, against disposals of 170 tonnes in 1985, according to the report. Gold Fields estimates that these investors have continued to buy in 1987, motivated by worries about the state of US financial

As Gold Fields says, the figures for European and North American investment need to be treated cautiously because they are balancing items in the group's estimates, but they do indicate a substantial shift in

However there are a few bearish points to be made in this generally bullish analysis of investors' behaviour. First of all, the market was heavily dependent last year on Japan, which bought 650 tonnes of metal, or half the mine produc-tion of the non-Communist

Secondly, in addition to selling bars, Middle East investors were also heavy sellers of scrap gold during the rally in September 1986. Overall, scrap sales rose to 465 tonnes, their highest since 1980, when 482 tonnes were sold and prices averaged Mr George Milling-Stanley, the author of Gold Fields' survey, says that the gold market has become more efficient, so rallies are likely to stimulate old gold sales much more readily.

Nevertheless, Gold Fields, which is known as one of the

which is known as one of the most cautious of forecasters, is more positive about investment demand than it has been for several years.

Looking at the gold market in terms of the outlook for supply and demand, sustained and growing investment demand would appear to be essential just to keep gold at its current price, never mind supporting

The output of Western world mines, which has risen by a third since 1980 to 1281 tonnes last year, is expected to keep growing for the foreseeable future. Increases in the US, Canada and Australia more than offset a slight decline in South Africa's character would extend the contraction of Western would extend the contraction of the contraction o share of Western world output could fall below 50 per cent by

The West could also see continuing high levels of Communist sales. China may be unable to repeat last year's estimated sales of about 50 tonnes in 1987, and others—accounted for but the government is committed to increasing output so as to tonnes of gold used in fabricaraise foreign exchange earnings. The Soviet Union, which mainly into jewellery, which for sold 350 tonnes or so in 1986, is many buyers, is if not, contought to have continued sell-sciously, a form of investment. thought to have continued selling bullion at a similar rate this
year—the country needs
revenue from gold to compenThis is particularly true in the

and gas sales.

Western world governments
last year bought more gold than
they sold for the second year
running. Their net purchases of the end of the decade.

With profit margins specta
With profit margins specta-

cularly high, companies can be expected to keep searching for deposits and bringing them into tonnes of metal they control is production. Gold Fields estimates that the total costs of to be sold to anyone for fear that operating mines, including such disposals may upset the capital costs, fell to an average of \$245 an ounce outside South Africa in 1985, and should fall fluid, as the 465 tonnes of scrap further this year. In South Africa the average cost last year sold last year demonstrates. But Africa the average cost last year again very little has disappeared: it is estimated to the Chamber of Mines.

The West could also see conthe Chamber of Mines. the 100,000 tonnes or so of gold
The West could also see conever mined, more than 80,000

sate for lower earnings from oil and gas sales.

This is particularly that are sales.

This is particularly that are sales.

Middle East, India, and elsewhere where buyers prefer that are sales. content, instead of low-carat articles for their decorative appeal.

Stefan Wagstyl

#### South Africa

# Mining reforms held up

THIS YEAR'S March quarter mines sent shivers down the spines of many investors.

spines of many investors.

Production at four mines —
Randfontein, Western Areas,
Beatrix and Freegold — had
been hit by work stoppages or
resignations by black miners,
underlining just how vulnerable South Africa's labourintensive gold mining industry
is to work disruptions. Industrial relations remain the gold rial relations remain the gold mine's most problematic area and, in the wake of the white electorate's rightward lurch in May, the industrial relations field is likely to become more rather than less difficult.
Last year, the Botha Govern-

ment became increasingly nervous of white voters' swing towards parties to the right of the ruling National Party — a swing which was particularly marked in mining constituen-cies. Electoral fears paralysed whatever was left of the Govern-ment's reform programme and, to the dismay of the mining com-panies and black miners, per-suaded the Government to renege on its promise to scrap mining job reservation by the end of 1986.

Racial clauses in the Mines and Works Act continue to bar half-a-million or so black miners from supervisory line positions, and prospects of agreement between the employers and the white unions on lifting the colour bar seem as

cials now fear that even if racial that black miners should hence-discrimination is scrapped from the Mines and Works and the state of the scrapped from the mines and works are the scrapped from the mines and works are the scrapped from the scrapped from the mines and works are the scrapped from the mines and works are the scrapped from the mines and works are the scrapped from the scrap the Mines and Works Act the colour bar will be preserved by committees. other means such as literacy, numeracy and language skills requirements which favour

While the white union men remain doggedly opposed to removal of job reservation, they daily flout the law governing whites.

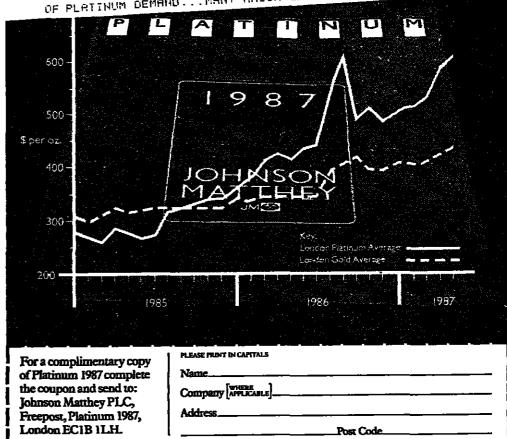
The white miners fear that they would be replaced by ing rock is broken and tallied. "cheap" black labour. And since white miners in the Carletonville constituency elected Mr Arrie Paulus, the former general secretary of the all-white that white miners observe the Mine Workers' Union (MWII) racially — discriminatory Mine Workers' Union (MWU) racially — discriminatory and a stauach opponent of clauses on the Mines and Works removal of the colour bar, to Act, South Africa's gold mines represent them in the white would grind to a halt within

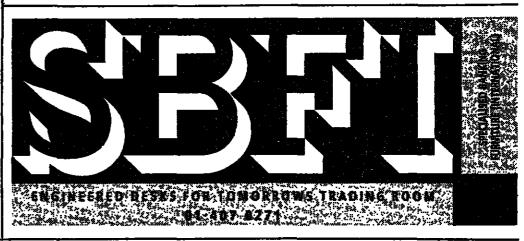
House of Assembly, their fears days.
and opposition can be articular it is not a thought which has lated in parliament. escaped union leaders who are
The all-black National Union determined to adhere meticuof Mineworkers (NUM), which lously to the country's laws. claims a membership of more than 300,000, is in a quandry.

Jim Jone

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on inting the colour par seem as remote as ever.

The Chamber of Mines, which represents the mineowners, promised job security guarantees hoping to persuade the white unions to agree to an opening of reserved jobs. However when the white unions would not agree, the Chamber would not agree, the Chamber dropped its guarantees.

which have articulated black political demands as well as labour issues, fear the government is intent on breaking them. Neither the NUM nor most mining houses relish a re-enact-ment of the strike by 15,000 black railway workers earlier this year when police were used to break the strike and 11 demonstrating strikers were shot dead in the streets of Johannesburg and Germiston. It is paradoxical that, in South Africa's highly-charged racial atmosphere the prede of the

Wage and safety issues and the colour bar are at the top of its

list of priorities, but the union's leadership is understandably restrained in its militancy. Independent black unions,

atmosphere, the needs of the majority of mining industry employers and employees have converged with both sides opposed to the general direction of white politics.

The NUM and some employers would like to see an end to the migrant labour and some employers.

end to the migrant labour sys-tem and the creation of permatem and the creation of permanent workforces to man the mines. If push came to shove, however, it is unlikely that the mines themselves would go along with the NUM's call for equal treatment for black and white employees.

Black miners live in vast single-sex hostels which industry spokesmen themselves admit are akin to prisoner-ofwar camps and where prostitu-tion, homosexuality and bestial-

ity are rife.

By way of contrast, the mines' provide most of their 50,000 or so white employees with family housing at subsidised rentals and with free utilities. Merely providing half of the black workforce with comparable married accommodation would cost anything up to Rands 5bn or trice the amount the mines. twice the amount the mines spent on all capital projects in 1986.

spent on all capital projects in 1886.

Mechanisation is not a feasible answer. The geology of the Witwatersrand gold reefs precludes large scale additional mechanisation, particularly in mines whose reefs are narrow.

Last year Randfontein and Western Areas, whose reefs are particularly wide, announced mechanisation plans which would have allowed their workforces to be cut by between a quarter and a third. That led to work stoppages by black miners which cut Randfontein's recovery grade by 5 per cent and Western Areas' by more than 7 per cent in this year's March quarter and which, in turn, pushed the mine's gold mining operations into the red.

Beatrix, a comparatively new mine in the Orange Free State, suffered a 20 per cent gold production loss in the March quarter after half of the black workforce quit in reponse to considerable fighting in the black

force quit in reponse to con-siderable fighting in the black compound, again underlining the mines' reliance on black labour. Violence is endemic on

the mines. So, too, are accidents which usually kill more than 600 men each year and take the lives of proportionately more than twice as many black miners as

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Silver

**London builion market** 

# **GOLD & PRECIOUS METALS 4**

Silver

# Regaining lost sparkle

the precious metal market by surpise. At the beginning of 1987, silver had been so quiet for so long that traders won-dered whether investors had abandoned the metal for good.

There were even suggestions that silver should perhaps no longer be regarded as a precious metal, with a price influenced largely by movements in other financial markets. Rather, it should be retarded as a base, it should be regarded as a base metal, with its price determined mainly by changes in industrial supply and demand.

But in the weeks since the middle of March, the silver market has been transformed. A ket has been transformed. A steady rise in prices from around \$5.55 an ounce, accelerated in a few days of frenzied trading to reach over \$11.25 an ounce on April 27—a rise of more than \$2 on the day—before falling back to about \$7.50 The volume of investment

interest was so huge that the Commodity Exchange in New York the world's largest silver futures market, was swamped and had to close early for three days to sort out a backlog of unsettled trades. After such wild price move-

**Platinum** 

Investors move

ments, it is hardly surprising themselves against further falls that traders differ greatly in the dollar, given the doubts their price forecasts. But many believe that now investment interest has been rekindled it investors in Japan, West Germilled in the dollar, given the doubts of the dollar, given the dollar, in the dollar, given the doubts surrounding the Federal Budget and trade deficits. But investors in Japan, West Germany and Switzerland, where will not quickly die away again.
The past history of precious
metals prices shows that, in
times of financial uncertainty,
silver tends to outperform gold. currencies are strong, may be less willing to move out of income-bearing investments, given that inflation rates are generally lower than they were in the commodity price boom of

This is because even when conditions are poor for precious metals prices—as they have been during the bull markets in stocks and shares in the 1980s the late-1970s. This year's activity in the market demonstrates that supply and demand in silver matters less than the mood of the finan-cial markets, once investors start buying precious metals. some investors continue buying precious metals. They buy gold because of its status in the international monetary system and because it is more valuable weight for weight so it is easier to handle. However, when conditions

move in favour of precious metals—as they have done in the wake of the fall in the US dollar this year—the impact on silver is likely to be greater, as an absence of investor interest suddenly turns into a glut.

All this makes silver a very tempting market for short-term investors looking for volatile

Nevertheless, news from within the silver industry has certainly helped prices along. In mid-April, Peru, the second largest Western world producer after Mexico, reminded the market that supplies should not be taken for granted by announcing that silver sales were to be suspended. Traders said the ban would not take effect before October at the earliest and would probably not be carried out. Nevertheless as a manoeuvre to boost prices, the stateinvestors looking for volatile would probably not be carried prices. What is unclear is how out. Nevertheless as a maniong investors will be prepared to hold metal if prices settle. US investors may want to protect Garcia worked wonders.

More broadly, bullish traders argue that the silver market is generally looking brighter than it did. The abortive efforts of the Texan Hunt family to corner the market in 1980 put a blight on silver. Even after the Hunts said in 1985 that they had sold most of their 95m oz stockpile, inves-tors shied away from silver in the belief that the Hunt metal had simply passed into other

As a result, while gold and platinum prices rose last year, silver fell during 1986, despite a depreciation in the US dollar. However, say the bulls, while the Hunt's silver has not disap-peared, the total stock overhanging the market has declined. Low prices last year forced the closure of Sunshine and Lucky Friday, two of the largest US mines. Meanwhile, industrial users of silver—chiefly photo-

The net result is that reported silver stocks fell during 1986 from an all-time peak of 241m oz to 201m oz, according to Gold-close to \$8, then Lucky Friday man Sachs, the US investment and Sunshine mines could well

and 645,000 ounces in 1982.

Other consumption sectors

and investment. The chemicals industry used 195,000 ounces last year, Johnson Matthey calculates, while electricals used 185,000, glass 90,000, petroleum 25,000 and others 5,000.

On the supply side, Johnson

Matthey estimates that South Africa accounted for 235m

1986 total. That represented a

rise of only 10,000 ounces over

1985, while shipments from Canada were unchanged at 150,000 ounces. The major contributor to the 70,000 ounces

rise in total supplies was the Soviet Union, with sales up 60,000 ounces to 290,000, mostly

going to Japan.

Apart from possible plans for new workings at Western Mining, Johnson Matthey sees "no

hint of any intention to expand production capacity" in South Africa, while demand growth is forecast to be "steady if unspectacular".

unspectacular.

The resulting price trend, it says, is likely to be "basically firm but fluctuating in generally more tranquil market conditions than prevailed last year."

Richard Mooney

Smith Barney, Harris Upham & Co.

Allen & Company

film-makers increased their purchases mod82

Goldman estimates that the

fall in US mine production, a

\$ per fine ounce

30\_

25\_

20

small decline in scrap silver recycling and an increase in Communist countries' imports meant that Western world silver supply fell last year by 44 per cent to 447m oz. Industrial demand rose 4.9 per cent to 398m oz.

But the bulls' case is by no means conclusive. If prices stay company. This is still six reopen. Even without them, months' consumption, says Goldman sees a slight increase

Goldman in a report, but the speed of the decline shows that the market is correcting the over-capacity which plagued it. in overall Western world supply in 1987 to 467m oz, with industrial demand growing by 3 per over-capacity which plagued it.

So it is investors who must buy metal if price increases are to be sustained. On one measure— possibly the most important— silver still has some way to go towards re-establishing itself as a precious metal. The historic ratio between gold and silver prices is about 40:1. This widened as silver fell in 1986 to nearly 70:1. By April 27 this year it had recovered almost all the ground it had lost to hit 45:1 but has since widened again to over

Stefan Wagstyl

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year in which the new relationship is consolidated.

Although the immediate
panic about the threat to South
African supplies is over, for the
time being at least, the
increased level of buying
interest it generated is continuing to add extra bite to a
fundamentally strong supplydemand picture and platinum is
still maintaining a substantal
premium over the yellow metal.

South Africa might impose
counter-sanctions in the form of
export restrictions, had lifted
platinum to a 5½-year peak of
\$673.75 an ounce and widened
the platinum price. By the close
of the year it was trading at
\$468.75 an ounce and the premium over gold had dipped

OF 1986 is to go down in history

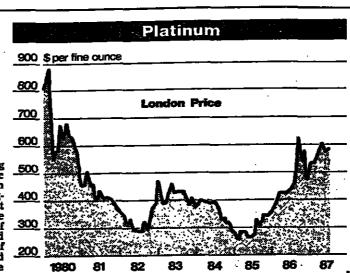
as the year in which platinum's price relationship with gold was pressure for strong economic sanctions against South redefined, 1987 could be the Africa—by far the world's big-year in which the new relation—gest supplier—plus fears that gest supplier-plus fears that South Africa might impose

\$468.75 an ounce and the pre-mium over gold had dipped

premium over the yellow metal.

The free market platinum price began 1986 at \$342.25 a troy ounce, with a \$15 premium over gold.

This year has seen a confirmation of investors' renewed faith in the platinum market,



however. Last week the price was back above \$580 an ounce and since mid-January the pre-mium has remained comfortreached 1.05m onnces in 1986 up from 910,000 ounces in 1985 are quite small by comparison with autocatalysts, jewellery

mium has remained comfortably in excess of \$100.

Platinum's latest show of strength owes a good deal to sentiment in the gold market, "without, however, being in danger of losing the individuality it has re-acquired since mid-1985," observes Johnson Matthey, the London bullion trader, in its recently-published trader, in its recently-published review "Platinum 1987". Johu-son Matthey sees this as "a further demonstration of plati-

cious as well as an industrial metal". According to Johnson Matthey, non-industrial demand accounted for 45.7 per cent of last year's record total Western world platinum consumption of 2.85m oz. compared with 34.9 per cent of 2.32m oz in 1982. That share increase was due to a surge in investment demand

num's twin attributes as a pre-

surge in investment temand from 2 per cent (46,000 oz) to 15.7 per cent (447,000 oz). While jewellery's consump-tion share was down from 1982's 32.9 per cent to 30 per cent in 1986, it still represented a rise of 90,000 oz. And about 40,000 oz of the rise came between 1985 of the rise came between 1985 and 1986, a performance which surprised many market experts, who had assumed that high

prices would be reflected in lower jewellery usage.

The platinum jewellery sector is heavily dependent on Japanese demand. "They love the stuff," says Patrick Smith of Value 100 March 1 Johnson Matthey. Of the 855,000 oz purchased by the jewellery trade in 1986 some 740,000 oz went to Japan, according to Platinum 1997

tinum 1987.

While the market can clearly take heart from the apparent price-insensitivity of Japanese demand for platinum jewellery, might there not be some grounds for concern in the increasing role of investment purchases? Investors are not truly consumers, after all—they buy only in order to sell later. And had they not stepped up their purchases by 75 per cent, last year's consumption total would have shown a fall of 170,000 oz instead of a rise of 20,000 oz.

20,000 oz.

Mr Smith does not seem too concerned, though he admits that the increased size of the

that the increased size of the investment sector "may act as a damper on rises".

Brian Nathan of Ayrton Metals agrees. "Investment holders are looking for a profit," he explains. "They will sell into rises, which tends to smooth out peaks and troughs."

"Peaks and troughs" have always been features of the platinum market. "Platinum quite often moves faster than gold—either upwards or downwards," says Mr Nathan. "The platinum market is smaller and more volatile—there is a larger pool of gold 'above the ground."

He also points out that, while

of gold 'above the ground'.

He also points out that, while the platinum market is very much influenced by similar factors to gold, a larger proportion of the gold market is price-sensitive.

On the industrial front, the automobile industry has become the biggest single user of platinum. Production of exhaust cleaning catalysts alone in 1996 accounted for 36.8 per cent of consumption, up from 27.8 per cent in 1982.

Autocatalyst usage of plati-

Autocatalyst usage of plati-num is estimated to have

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#### **GOLD & PRECIOUS METALS 5**

Private investors

# More mints are coining it

GOLD HAS always had a special appeal for the private investor. There is no logical rhyme nor reason why it should be so favoured in modern times. But the traditional hoarding instinct runs deep, and historically gold has been seen as a desirable store of wealth, a safe haven, particularly in times of crisis and uncertainty.

Even the most sophisticated investor still recommends keeping a proportion, say 10 per cent, of their portfolios into gold, in one form or another, as a form of ultimate security.

In recent months investing in gold has paid off. The bullion price has advanced substantially, at least in dollar terms, and gold mining shares have

and gold mining shares have been a boom market. As a result, gold based funds have been among the best performers this year, providing patient investors with at least some reward after a long period in the doldrums.

the doldrums.

One of the main attractions of gold is its portability and acceptance as an international currency throughout the world. To achieve that you need the physical metal itself in your possession. As a precious metal, gold provides a convenient way of concentrating your gains, illegotten or otherwise, in a form that is easy to store, transport and identify as a symbol of symbol of specific produced coins wide open. First to try to fill the breach of an ounce) and Little Hero (one tenth of an ounce)—are based on famous gold on famous gold on famous gold nounce)—are based on famous gold nounce) and Little Hero (one tenth of an ounce)—are based on famous gold nounce) and Little Hero (one tenth of an ounce)—are based on famous gold nounce) and Little Hero (one tenth of an ounce)—are based on famous gold nounce) and Little Hero (one tenth of an ounce)—are based on famous gold nounce) and Little Hero (one tenth of an ounce)—are based on famous gold nounce)—are based of concentrating your gains, illgotten or otherwise, in a form
that is easy to store, transport
and identify as a symbol of
wealth.

Cold bullion is the most direct.

But it is expensive. Normal one gress after the ban on imports of kilo bars cost a great deal of Krugerrands was imposed.

Produced in the same sizes, are not really available to the but with the added advantage of

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TALS.



The Australian Nuggets come in four shapes and weights

ket for gold coins wide open.
First to try to fill the breach

wealth.

American market, has been the
Gold bullion is the most direct
Eagle range produced by the US
way of investing in gold itself.
Mint under orders from ConBut it is expensive. Normal one
gress after the ban on imports of

small private investor. In Briappealing to the petriotism of
tain a further deterrent is American citizens, the Eagle
Valued Added Tax at 15 per has proved a tremendors suc-The logical answer for private investors wanting to put a relatively modest amount into gold, and make the most of its

Then there is the Angel, pro-Then there is the Angel, produced by the Pobjoy Mint in the Isle of Man. Produced from gold of European origin, the Angel is supposed to have first been struck in 1341 in France. It carries a relief of a dragon being slain by the Archangel Michael on which the coin's name is based.

The Royal Mint in Britain

The Royal Mint in Britain, over and treasure against a which has produced gold sovereigns for a long time, also decided to enter the battle for the Krugerrand market. In

March the Chancellor of the Exchequer, who is also Master of the Mint, announced that Queen Elizabeth "had been graciously pleased" to approve a recommendation that a new bullion coin to be called the Estimate the lion coin, to be callen the Bri-tannia, should be issued in four denominations—one ounce half, quarter and one-tentl

ounce.
No launch date for the Britan No launch date for the Britan-nia has been announced yet. But it is expected to become avail-able to investors later this year. Britain has a history of min-ting sovereigns dating back to 1817 and these are still bought portability and attraction as a physical metal, is to buy coins.

There is no shortage of choice. The ban on imports of South African krugerrands in US, Britain, and other European and Far East countries led to their production being scrapped in late 1985. But this left the market for gold coins wide open.

First to try to fill the breach

The Royal Mint will face an uphill task in establishing the Britannia against so many rival products. It will have a poor domestic base since demand for gold coins in Britain has fallen to a low ebb after the decision to impose Value Added Tax on them in April 1982. It is possible to avoid paying

VAT on coin purchases quite legally by keeping them in offshore banking centres like the Channel Islands and

At the same time there are extra costs and paperwork involved, and this method of ownership to a large extent negates a big attraction of buying coins—having something physical in your hands to gloat over and treasure against a resimular than the most method to the same of the same

#### Capital markets

# **Bonds for the** faint-hearted

"THEY MIGHT as well carry Such bonds find their most options in valium," was the natural home in Switzerland, comment made by one invest- because that country's traditioment banker as the most recent nal role as a centre for bullion spate of gold-linked bonds was trading has long made Swiss priniting the international capital wate investors attuned to buying markets.

For gold-linked bonds It is not surprising, then, that become fashionable when the swiss franc bond market has nerves set in

nerves set in.

During the period since the gold-linked bond issues over the beginning of April, bankers years and has been the source of have responded by launching 11 many of the innovations in this gold-linked bonds in the Euro-bond and Swiss franc foreign Issue bond markets—a far greater concentration of these deals

than the markets have hitherto Bankers now regard the mar-ket for gold-linked bonds as recent fashion is for issuing mature, though they do not fore-bonds for borrowers who do not

provides a yield and capital pro-

June 1987

Issues in this market have s far taken roughly two forms. The more traditional type is the bond issued by a gold mining company, backed by that company to the more traditional type. mature, though they do not toresee such issues becoming a regular part of the bond market
repertoire. This is partly
because they do not attract
sufficient interest from
institutional investors.

bully convertible into gold.
The gold warrants bond con-

Gold-linked bonds are really The gold warrants bond con-designed for the "faint-hearted" gold investor, who Eurobond market, with deals feels that gold is going up but is wary of buying physical gold. Unlike the metal itself, the bond between the strike price and the price of gold at the time of exercising the warrants. In April, Salomon Brothers International arranged the first

gold warrants bond in the Ecu market, for St Gobain, while others transferred it to the Eurodollar market, with deals for Banque Nationale de Paris, led by Credit Suisse First Bos-

led by Credit Suisse First Boston, and for Eastman Kodak and the Norwegian Eksportfinans, led by Union Bank of Switzerland (Securities).

But though a dollar-denominated gold warrants bond ought to be attractive to investors—because of the recent inverse relationship between the price of that currency and gold—bankers are not yet convinced that the concept can be satisfactorily transferred to the Eurodollar market.

The first crop of bonds that emerged in April had their terms stacked very much in favour of the borrower. But as successive deals have appeared, broadening the

successive deals have appeared, broadening the choice open to the investor, issuing houses have been forced to make them cheaper and

In the case of Hoffmann La Roche's SFr 250m 10-year zero-coupon issue, for instance, laun-ched in April, the accompany-ing three-year gold warrants carried a premium of around 50

per cent.
By the time UBS (Securities)
launched its deals in May,
however, investors had woken
up to the fact that bonds on these terms were rather expensive. The three-year deals for Eastman Kodak and Eksportfinans carried two-year war rants with much lower—25 per

rants with much lower—25 per cent—premiums. At these levels, the advantage to the borrower of issuing the bonds is getting close to being

"We are at the end of the last lap in this market, at least," said one banker recently; though its further development clearly depends upon the behaviour of the gold price.

Clare Pearson

# **GALACTIC RESOURCES: POURING AND**

Galactic Resources takes on the challenges and rewards of precious metals mining with four major projects ranging from production to late stage exploration in the United States. In production is the 100%-owned Summitville heap leach gold mine in Colorado, expected to produce over 80,000 ounces of gold this year. At the pre-production stage is the 56,000,000-ton Ridgeway gold deposit in South Carolina, in which Galactic holds 49%, with Amselco Minerals Inc., a wholly-owned subsidiary of BP North America Inc. and a part of the BP Minerals International Ltd. group, holding the remaining 51%. Galactic's portion should yield over 75,000 annual ounces commencing mid-1988.

Galactic holds an option to acquire a 50% operating interest in the exploration and development of the deep ore horizons underlying Comucopia Resources Ltd.'s

Ivanhoe property in the Carlin Gold Belt of Nevada. Spectacular high grade discoveries at depths below 400 feet have been announced by operators of deposits on strike with Ivanhoe, where near surface proven reserves of 8 million tons grading .045 ounces of gold per ton have already been identified.

Through a proposed agreement with Quartz Mountain Gold Corp., Galactic will develop the multi-million ounce world class Crone Hill and Quartz Butte gold deposits in southern Oregon, where a bankable feasibility study is currently in progress. Finally, the company has acquired
Hudson Yukon Mining Company, currently developing a major platinum/palladium

rare earths project in the Canadian Yukon. For further information on Galactic's gold projects, contact the company's head office: 935-355 Burrard Street, Vancouver, B.C. Canada, V6C 1G2. (604) 687-7169.



## The world needs metals and minerals - we help to suppl that need Gencor has grown and diversified from its beginnings in the gold mining industry at the end of the last century. Companies in the Gencor Group now not only account for 17% of South Africa's gold production, 16% of its uranium, 40% of its platinum and 23% of its coal but also comprise many of the Republic's most important industrial enterprises. Gencor continues to pursue an extensive and energetic exploration programme both in South Africa and overseas. It also spends heavily on research in an effort to improve the safety and efficiency of its mining and recovery techniques. Gencor is working today for the world of tomorrow Gencor 1-11K

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**American Barrick Resources Corporation** 

Cdn. \$51,000,000

1,000,000 Common Shares (Represented by Instalment Receipts)

The undersigned base agreed to purchase the above Common Shares.

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#### **WORLD MARKETS**

#### FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Figures in parentheses				1987		THURSDAY JUNE 18 1987				DOLLAR INDEX			
show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1987 High	1987 Low	Year ago (approx)		
Australia (94)	136.53 85.82 116.92 127.58 120.24 95.39 121.00 130.12 100.68 151.73 169.55 266.65 119.38 100.32 138.72 142.30 159.54 115.47	-015 -052 -084 -012 +094 -126 +097 -208 +012 +012 +012 +012 +012 +012 +012 +012	124.22 78.08 106.38 115.08 109.42 95.75 86.79 110.09 118.39 91.60 138.05 1242.61 108.62 126.21 125.47 126.21 145.16 105.06	125 81 81.38 109.57 125.70 112.58 100.87 90.73 121.28 125.32 99.47 139.12 134.40 112.88 136.89 117.25 110.79	3.11 2.31 4.36 2.34 2.76 2.06 2.84 3.58 1.83 0.57 3.05 1.99 1.78 3.48 3.66	136.68 86.29 117.16 126.59 120.74 106.49 93.01 119.87 129.86 100.62 155.94 170.47 256.95 118.85 110.20 138.97 142.59 114.42	124.35 78.51 106.60 115.18 109.86 96.89 84.62 109.06 118.15 92.46 14.88 155.10 233.78 108.14 91.16 126.44 129.74 143.96 104.11	125.77 81.76 109.51 122.97 112.62 100.73 88.20 120.10 124.69 100.11 142.54 165.10 349.85 111.48 89.36 126.52 139.21 117.27 109.61	140.95 101.65 123.62 136.17 124.10 121.82 100.33 121.23 131.86 112.11 161.28 172.55 266.65 120.14 100.59 140.05 144.47 186.74	99.92 85.82 96.19 100.00 98.18 98.39 84.00 96.89 99.70 99.72 99.72 99.72 99.72 99.29 100.00 100.00	88.85 84.37 78.82 98.32 91.96 81.67 72.22 83.91 77.03 79.06 84.13 49.07 69.63 100.32 79.14 83.76		
Sweden (33) Switzerland (51) United Kingdom (335) USA (593)  Europe (928) Pacific 8asin (687) Euro Pacific (1615) North America (720) World Ex. US (1817) World Ex. UK (2075) World Ex. Sc. AI (2349) World Ex. Sa. AI (2349)	115.02 96.16 148.06 125.63 120.55 149.97 138.25 125.73 138.18 131.80 133.08 124.47	-0.3 +0.8 -1.1 +0.4 -0.3 -2.5 -1.7 +0.4 -1.6 -0.9 -0.9 +0.2	104.65 87.49 134.71 114.30 109.68 136.45 114.39 125.72 119.92 121.08 113.25	108.55 90.61 134.71 125.63 112.65 137.86 127.81 125.54 130.16 126.31 127.14 121.08	2.13 1.90 3.17 2.89 2.85 0.64 1.42 2.86 1.47 1.86 1.98 2.86	115.39 95.41 149.74 125.17 120.87 153.84 140.70 125.24 140.46 132.97 134.31 124.26	104.98 86.81 136.24 113.88 109.97 139.97 128.01 113.95 127.79 120.98 122.20 113.06	108.55 89.64 136.24 125.17 112.78 141.00 129.75 125.07 130.16 127.23 128.12 120.83	124.68 104.06 151.46 125.63 121.71 158.64 143.34 125.73 143.09 133.55 134.83 124.47	90.85 92.01 99.65 100.00 100.00 100.00 100.00 100.00 100.00 100.00	88.12 82.64 99.01 103.33 88.11 79.18 82.71 103.07 83.19 90.34 91.15 96.83		

Base values: Dec 31, 1986 = 100 n, Sachs & Co., Wood Mackenzie & Co. Ltd. 1987

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Şeri	es	Vol.	Last	Vol.	Last	Vol.	Lati	Stock
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SILVER P SILVER P	\$750 \$850	19 29	110	2	135	=	Ξ	<u></u>
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ABN P AEGON C AEGON P AHOLD C	FI.486 FI.96 FI.96 FI.96 FI.97	2 200 2 151 3 338 3 54	6.90 3.60 4.50	10 16 77	15.50 15 6.20 3	7	25 19	
ABM P AEGON C AEGON P AHOLD C AHOLD P	FI.486 FI.96 FI.96 FI.96 FI.96	200 151 338 3 54	6.90 3.60 4.50 1.80 3.80	10 16 77	15.50 15.50 6.20 3 6.70	7 5 89 6	7.20 4 —	FI.93 FI.96.70
ABM P AEGON C AEGON P AHOLD C AHOLD P AKZO C AKZO P	F1.486 F1.96 F1.99 F1.96 F1.86.44 F1.144 F1.144	200 151 338 3 54	6.90 3.60 4.50 1.80 3.80	10 16 77	15.50 15.620 3 6.20 6.70	7 5 89 6	7.20 7.20 4 — 13.50 6.20	FI.93 FI.96.70 FI.143.60
ABM P AEGON C AEGON P AHOLD C AHOLD P AXZO C AXZO P AMEV C AMEV P	FI.484 FI.96 FI.96 FI.96.44 FI.344 FI.34 FI.34	200 151 338 338 5 54 1 1959 1 401 328	5.80 1.50 1.50 1.80 1.50 1.50 1.50	10 16 77	6 67 15.50 15.6.20 6.70 10.70 4.50	7 5 89 6  158 142	7.20 7.20 4 — 13.50 6.20 3.10	FI.93 FI.96.70 FI.143.60 FI.64.60
ABM P AEGON C AEGON P AHOLD C AHOLD P AXZO C AXZO C AMEV C AMEV P AMEV C AMEV C	FI.488 FI.96 FI.99 FI.98.44 FI.144 FI.14 FI.17 FI.16 FI.17	200 151 338 54 1959 401 326 177	6.90 3.60 4.50 1.80 3.80 5.80 1.50 0.70 0.60	10 16 77 9 74 50 375 252 18 10	15.50 15.620 3 6.20 6.70	7 5 89 6  158 142  2 17	25 19 7.20 4 — 13.50 6.20 3.10 4.708	FI.93 FI.96.70 FI.143.60
ABR P AEGON C AEGON P AHOLD C AHOLD P AXZO C AXZO C AXZO P AMEV C	F1.486 F1.496 F1.99 F1.49 F1.44 F1.14 F1.77 F1.77 F1.77 F1.77 F1.77	200 151 338 54 1959 401 326 177	6.90 3.60 4.50 1.80 3.80 5.80 1.50 0.70 0.60	10 16 77 9 74 50 375 252 18 10	15.50 15.50 15.6.20 3 6.60 10.70 4.50 2.10 1.50 330 4	7 5 89 6  158 142	7.20 7.20 4 — 13.50 6.20 3.10	FI.93 FI.96.70 FI.143.60 FI.64.60
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ABR P AEGON C AEGON C AHOLD C AHOLD C AKZO C AKZO C AMEV C AMEV C AMEV C AMEO C ELSEVIER C ELSEVIER C GIST-BROC C GIST-BROC C GIST-BROC C	FI.484 FI.94 FI.94 FI.94 FI.24 FI.24 FI.77 FI.77 FI.75 FI.75 FI.75 FI.75 FI.75 FI.75	200 2000 157 200 338 20 338 55 54 56 54 56 1959 20 401 401 172 172 172 172 172 172 172 172 172 17	5.90 3.60 4.50 1.80 3.80 1.50 0.70 0.60 1.50 1.50 1.50 1.50 0.70 0.60	10 16 177 9 750 375 252 253 251 8 8 8 8 8 8 8 8 8 8 1	15.50 15.6.20 3 3 6.60 10.70 4.50 2.10 1.60 330 4 2.50 3.50B 1.20	7 89 6 	25 19 7.20 4 — 13.50 6.20 3.10 4.708 4.50	FI.93 FI.9470 FI.143.60 FI.64.60 FI.74.30 FI.51.80 FI.44.50
ABM P AEGON C AEGON P AHOLD C AHOLD P AXZO C AMEV C AMEV C AMEV P AMRO P ELSEVIER C ELSEVIER C ELSEVIER P ELSEVIER P HEIMEKEN C	FI.48 FI.46 FI.99 FI.86.44 FI.14 FI.77 FI.77 FI.77 FI.58 FI.58 FI.58 FI.58	200 2000 157 200 338 20 338 55 54 56 54 56 1959 20 401 401 172 172 172 172 172 172 172 172 172 17	5.90 3.60 4.50 1.80 3.80 1.50 0.70 0.60 1.50 1.50 1.50 1.50 0.70 0.60	10 16 177 9 750 375 252 253 251 8 8 8 8 8 8 8 8 8 8 1	15.50 15.50 15.620 3 6 0.70 10.70 4.50 2.10 1.60 330 4 2.50 3.50B 1.20 6.40	7 89 6 	25 19 7.20 4 — 13.50 6.20 3.10 4.708 4.50	FI.93 FI.95.70 FI.143.60 FI.64.60 FI.74.30 FI.51.80 FI.44.50 FI.176
ABM P AEGON C AEGON C AEGON C AFOLD C ANOLD C ANOLD C ANZO C ANZO C ANZO P AMEV P AMEV C AMEV C AMEV C C AMEV C C C C C C C C C C C C C C C C C C C	F1.484 F1.96 F1.96 F1.86.44 F1.14 F1.17 F1.17 F1.17 F1.17 F1.17 F1.17 F1.17 F1.17 F1.17 F1.17 F1.17 F1.17 F1.17 F1.17	1959 1959 1959 1959 1959 175 175 175 175 175 175 175 175 175 175	New 87  4.90  4.50  4.50  4.50  1.80  5.80  0.70  0.50  1.80  0.40  1.80  0.40  1.80  0.50  1.80  0.70  0.80  0.70  0.80	10 16 177 9 750 375 252 253 251 8 8 8 8 8 8 8 1	15.50 15.50 15.50 15.6.20 3 6.70 10.70 10.70 2.10 1.60 2.10 3.50 4.50 2.50 3.50 1.20 6.40 4.90 2.40 4.90 2.40 4.90 2.40 4.90 2.40	7 5 89 6  158 142  2 17 2 17 2	25 19 7.20 4 	FI.93 FI.95.70 FI.243.60 FI.64.60 FI.74.30 FI.51.80 FI.45.50 FI.276 FI.42.80
ABM P AEGON C AEGON C AEGON C AEGON P AHOLD C AMOLD P AKZO P AMEV C AMEV P AMRO C AMRO P ELSEVIER C ELSEVIER C ELSEVIER C HEIMEKEM P HOOGOVENS HOOGOVENS HUM C	F1.480 F1.99 F1.864 F1.97 F1.864 F1.14 F1.17 F1.56 F1.57 F1.56 F1.57 F1.	200 200 157 3380 3380 3380 3380 3380 3380 3380 3380	5.00 4.50 4.50 4.50 4.50 4.50 4.50 4.50	10 16 177 9 750 375 252 253 251 8 8 8 8 8 8 8 1	15.50 15.6.20 3 6.20 10.70 10.70 2.10 1.60 3.30 4 4.50 2.50 3.50 6.40 4.90 4.90	7 5 89 6  158 142  2 17 2 17 2	25 19 7.20 4 	FI.93 FI.95.70 FI.143.60 FI.64.60 FI.74.30 FI.51.80 FI.45.0 FI.176 FI.42.80
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ABM P AEGON C AEGON C AEGON C AEGON P AHOLD C AHOLD P AXZO C AXZO C AMEV P AMRO C AMRO P ELSEVIER P GIST-BROC C GIST-BROC C GIST-BROC C HEIMEKEN C HEIMEKEN C HOOGOVENS HOOGOVENS KIM P NAT. NED. C AXT. NED. P	F1.484 F1.494 F1.99 F1.86.44 F1.14 F1.17 F1.77 F1.57 F1.58 F	200 200 338 338 338 338 338 338 338 338 338 338	3.60 3.60 3.60 3.80 3.80 3.80 5.80 0.50 0.60 1.50 0.40 0.40 0.40 0.40 0.40 0.40 0.40 0	100 166 777 774 550 375 2518 2110 1188 557 986 42 1124 43 1198 385 385 385	15.50 15.6.20 3 6.20 10.70 10.70 2.10 1.60 3.30 4 4.50 2.50 3.50 6.40 4.90 4.90	7 5 6 6 	25 19 7.20 4 13.50 6.20 3.10 4.708 4.50 2.20 	FI.93 FI.95.70 FI.143.60 FI.64.60 FI.74.30 FI.51.80 FI.45.0 FI.27.6 FI.27.6 FI.22.50 FI.34.2 FI.71.80
ABM P AEGON C AEGON C AEGON C AFOLD C AHOLD C AHOLD C ANZD C ANZD C ANZD C ANZD P ANRO C AMEV P ELSEVIER C ELSEVIER C ELSEVIER C HEIMEKEN C HOUGGOVENS KLM C KLM C KLM C NAT. NED. C	F1.484 F1.494 F1.99 F1.86.44 F1.147 F1.17 F1.57	200 200 1550 3380 3380 3380 3380 3380 3380 3380 3	3.80 1.80 1.80 1.80 1.50 1.50 1.50 1.50 1.50 1.50 1.50 1.5	100 116 116 116 116 116 116 116 116 116	15.50 15.50 15.50 3 6.20 3 6 0.70 10.70 4.50 3.50 1.20 6.40 4.90 2.40 4.90 2.40 4.90 5.30 5.40 4.90 5.40 4.90 5.40 4.90 5.40 4.90 6.40 4.90 6.40 6.40 6.40 6.40 6.40 6.40 6.40 6.4	7 5 6 6 	25 19 7.20 4 4 13.50 6.20 3.10 4.708 4.708 4.50 2.20 2.20 3.5.70 5.70 6.80 6.70 5.10	FI.93 FI.95.70 FI.143.60 FI.74.30 FI.51.80 FI.45.0 FI.176 FI.42.80 FI.52.50 FI.142
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ABM P AEGON C AEGON C AEGON C AEGON C AEGON C AHOLD C AHOLD C AHOLD P AXZD C AMEY C AMEY C AMEY C AMEY C ELSEVIER C GIST-BROC C GIST-BROC C GIST-BROC C HEINEKEN C HEINEKEN C HOOGOVENS HOOGOVENS HOOGOVENS HOOGOVENS HOOGOVENS HOOGOVENS PHOOGOVENS PHOOGOVE	F1.484 F1.494 F1.99 F1.89.44 F1.147 F1.17 F1.57 F1.57 F1.58 F1.58 F1.59	200 200 338 33 35 54 35 55 56 1950 1950 1950 1950 1950 1950 1950 1950	3.80 1.80 1.80 1.80 1.50 1.50 1.50 1.50 1.50 1.50 1.50 1.5	10 16 16 7 7 9 375 252 18 18 557 986 42 42 42 42 3 3 45 3 1987 385 385 385 375 587 385 375 377 387 387 387 387 387 387 387 387 387	15.50 15.50 15.50 10.70 10.70 10.70 1.50 2.10 1.60 330 4 2.50 3.508 1.20 1.20 1.40 4.90 2.40 4.90 2.40 2.50 2.10 2.20 2.20	7 5 6 6 	750 197.20 4 13.50 6.20 3.10 4.708 4.	FI.93 FI.95.70 FI.143.60 FI.74.30 FI.51.80 FI.45.0 FI.176 FI.42.80 FI.52.50 FI.71.80 FI.50.70

TOTAL VOLUME IN CONTRACTS: 52,509

#### FT-ACTUARIES WORLD INDICES

At the quarter-end review of the FT-Actuaries World Index, it was decided to include two new sectors: Europe Excluding the UK and Pacific Basin Excluding Japan and to make the following constituent changes with effect from July 1, 1987.

Deletions: Fors Mafnia (Denmark): General Biscuit (France); Hartmann and Braun (Germany) and Perugina (Italy).

Insertions: Emperor Mines (Australia); Ebes AFV (Belgium); Laidlaw A (Canada); Mafnia Investment (Denmark): Schneider (France); Feldmuhle Nobel, M.A.N. and M.A.N. pref. (Germany); Butoni (Italy); Orkla-Borregard (Norway): Inspectorate Group (Switzerland); Calor Gas and Rolls-Royce (UK); Breakwater, Encor Energy, Galactic Resources, Kelly Douglas A and Nowseo (US).

Goodman Fielder will be reclassified from the New Zealand index into the Australia index.

BASE	ENDI	NG RAT	ES
	التكافر المناط		

	%		%		%
ABN Bark	9	<ul> <li>Charterbosse Bank</li> </ul>	9	Nat Bis. of Kewait	9
Adam & Contpany	9	Citibank NA	9	Nat Westminster	9
Affied Arab St Ltd	9	City Merchants Bank	9	Northern Bank Ltd	9
Alfied Dunter & Co	9	Clydestale Bank	9	Norwich Gen. Trust	9
Alfied Irish Bank	9	Cozera, Blv. N. East	9	PK Finans, Intl (UK)	10
American Exp. Sk	9	Consolidated Cred	9	Provecial Trust Ltd	70
Acero Bank	9	Co-operative Bank	±9	R. Rapkael & Sous	9
Henry Andrecher	9	Cypnus Popular Bls	9	Rozburghe G'raslee	ᅄ
ANZ Banking Group	9	Doncas Lawrie	9	Royal Bir of Scotland	9
Associates Cap Corp	9	Equat'r'l TslC'p pic	9	Rasyal Trest Blank	9
Authority & Co Ltd	9	Exeter Trust Ltd	912	Smith & William Secs	9
Basco de Bishao	9	Financial & Gen. Sec	9	Standard Charlesed	9
Baak Haptafin	9	First Nat. Fin. Corp	10	Trastee Samus Bal	9
Bank Leum (UK)	9	First Nat. Sec. Ltd	10	UDT Mortgage Exp	$\mathbf{n}_{1}$
Bank Credit & Comm	9	<ul> <li>Robert Fleming &amp; Co</li> </ul>	9	United Bloof Kompit	9
Banck of Cypros	9	Robert Fraser & Ptrs	10	United Mizrahi Bank	9
Bank of Ireland	9	Girobank	9	Unity Trest PLC	9
Bank of India	9	Grindfays Bank	<b>.</b> 9	Western Trust	9
Baset of Scotland	9	● Guioness Maion	9	Westpac Bank. Corp	9
Bauque Beige Ltd	9	HFC Trust & Savings	9	Whiteaway Laidlaw	912
Bardays Bank	9	e Haster Back	9	Yorksiare Bank	9
Benchmark Tiss Ltd	9	Revitable & Geo. Tst	9		
Beneficial Trest Ltd	10	<ul> <li>Hill Samuel</li></ul>	<del>79</del>	<ul> <li>Members of the in</li> </ul>	
Berliner Bank AG	9	C. Heare & Co	9	Houses Committee. deposits 4%, Savewise	* 7-da
Brit Blad Wid East	9	Hanglang & Shangh	9	Too Tier—£2.500+ at 3	
Brown Shipley	9	Lioyds Bank	9	notice 7.97%. At ca	ythy like
Business Mitte Ts	9	Hecteral & Sees Ltd	9	£10,000+ remains d	leposite

#### **LONDON RECENT ISSUES** EQUITIES

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FT CROSSWORD PUZZLE No. 6,358 COURTIER

- **ACROSS**

- 3 What about a direction to start a strip of mown grass? (5)
- ACROSS

  1 Former site of New York supreme court action ... (6,5)

  7 ... where voices are raised briefly (3)

  9 I follow many an article in starting a country (5)

  10 Racketters begin a two-week operation here, today (9)

  11 Press after river alloy (9)

  12 A film about titled lady? (5)

  13 Resorts to lists (7)

  15 Secure one of twenty normally (4)

  16 Place of breeding (4)

  20 Play about a bird ... (7)

  21 ... hatched from this shaped object, no doubt (5)

  22 Illegal circular or protective clothing ... (5,4)

  23 Lillegal circular or protective clothing ... (5,4)

  24 Illegal circular or protective clothing ... (5,4)

  25 Moisture content in homemade wine? (3)

  27 Settle for sleep or return to the drunken sot (5)

  28 Moisture content in homemade wine? (3)

  29 Vain gals! You have become European (11)

  DOWN

  1 Propellants for soff-hearted airmen (8)

1 Propellants for soft-hearted airmen (8)
2 Such cheek to follow coarse head (8)

The solution to last Saturday's prize puzzle will be published with names of winners next Saturday

Issae	Amoust Paid	Latesi Resenc.	19	167		Stock	Closing	+ 0*	Net		Grass	
Price	<b>*</b>	Date	High	Low	}		Price		Des.	Cov's	Yield	Fatio
<b>6132</b>	F.P.	30/6	203	155		ldgs. 10p	203	+3	125	3.70	1.7	22.2
477 577	F.P.	–	122	90		Herry) 10p	120	-2	R2.81	2.2	3.2	19.0
<b>§77</b>	F.P.	30%	110	96		dLaminales20p		+2	12.4	24		19.2
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£125	F.P.	! —	185	145		rapbsc 10p	185		L3.0	28	2.2	21 5
7230	F.P.	107	297	278		r People 5p	292		43.6	32	1.7	25.6
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<b>956</b>	F.P.	17/7	82	75		gen 50	77		RLO	43	1.8	18.0
<b>ş</b> 170	F.P.		205	188		Adv. Teck Tal	190	-2		_	- 1	I
\$130	F.P.		170	163		α5ρ	168	+3	R1.8	4.2	1.5	22.1
	F.P.		120	80		Jebosracivia	113	44		I — I	_ '	I —
125	F.P.	26/6	190	180		·	188		R2.5	3.1	1.8	24 6
§83	F.P.	l —	98	88		#5	98		_	l — I	( — I	I —
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ģ125	F.P.		200	155		5 Law 10p	185		u3.0	24	2.2	253
· 492	F.P.	246	100	95		plan 50	96		ul.6	3.6	2.1	165
99	F.P.		162	135		tdirs 5p	160		0.25	I <del></del>	214	l.—.
145	F.P.	<b>!</b> —	195	360		59	160	-8	R1.1	42	9.4	34.B
6125	F.P.		167	158		rapp 50	167		u2.5	28	2.2	23.6
6130	F.P.		182	175		Howard Sp	175	-2 -3	R2.66	2.70	2.1	23.2
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Price	Pag					}	Stock			P	nce	+ 97
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695.982	525	30/11	287.		Cap & Counties 97, % Ist M.L. Do 2027		
99.239	F.F.	207	994		Dares Est. 1014% 1st Mt. Deb. 2012		
· F	ikai i	1	34ppen		Dencora 6%% Com. Con. Red. Pl.		
**	F.P.		1470		Gibbons Lyons 7% Con Cum Red Pf. (£1)	1470	1
Ÿ	iso l		504		Govern Strategic has Tot 97% Deb 2017		J 7
(	<b>2</b> ≤ 1	28/8	26/2		GL Portland Ests. 912% Let Mr. Db 2016		1 4
_	510	297	125		Mid-Southern Water 7% Red. Pri. 1997		1+1
-	FP.		100		Nationwide 811 pc Bds 20/6/88	. 100	i
	NEI	29/7	27ppm	20ppm	Nable & Land Box CrivCoroRedPrf(£1)	. 22ppm	1 -2
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_ 1	E.P.	7/7	2985	240p i	Do. Zero Con. Ln. 2027	2950	1
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95.221	£25 [	220	24	23%	Penchey Property 912% 1st Mr. Deb.2015	241,	1+1
· _ )	£40	129	ا و		Peril 97-pt 1st Mt. Deb. 2011	. 405	1 +1
ا ہـ	F.P.	15/7	106e	1010	Providing 8.3% Cum. Red. Prf 2002 (CI)	1060	l
<del>-</del>	F.P.		174e	1720	Do. 134% Caro. Prt. (£1)	173120	ſ
198.221	525 I	970	264		Scot. Eastern tow. Tpl. 914% Deb 2020	. 24%	1+4
19	F9.	!	1200		Soong Cre, Com, Red, Prf, (20a)	1200	1+1
P98.105	F.P.	107	1014		Tr Ind & Ger Tst. 10% Deb 2016	991	-
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issue Price	Amount Paid	Latest Renunc	19	67	Stock	Closing   Price	,+0
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350	No.	23/7	90om	48pm		90pm	
FS	Nil	196	625cm	173pm	Braithmante 🖸	230pm	
25cts	NGI	19/6	130mm	80om	Coos Marchison	80pm	
H450	i iiii		325pq	252om	Deutsche Bk. Dm50	325pm	+2
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\$\$	Ail	13,	15pm	Ann	Martion Bros. Pfd. 20p	llom	l
		I	A SPAIN		Quech (H. & JJ )Op	86am	+3
180	NA	107	86pm	-	Rock 10p		
23	Ma	17/7	92 <sub>20</sub> m		of an Homes	9700	
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I other official estimates for 1987. L. Estimated annualised direction, cover and of the backfon fairful annual earnings. R. Forecast annualised directed, cover and pic ratio based on procedura or other clinic estimates. W. Pro Forma Figures: I indicated dividents; cover relates to previous divident, pic ratio based on fairful annual earnings. W. Forecast, or estimated annualised dividend rate, cover based on previous year's carmings. S. Issued by the total process of the second previous year's carmings. S. Issued by the cover. The fairful price. F. Reintroduced. T. Issued in conception with reorganisation merger or takeour. The fairful price. S. Including warrants entitlement. P. Placing and offer for safe price.

# VEODMATION SERVICE

		UN	IIT TRUS	STIN	FOR	VIAT	ON	SE	RVICE		
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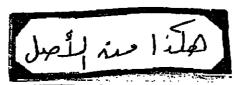
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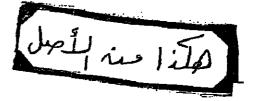
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Gaid Penate	1.11   Vic High let Ex Acc   00.5   65.7   40.1   High let   52.1     0.0   Total Investment Benet   154.9   0.1   Income   574.0     1.0   Emity limital   154.9   0.1   Income   574.0     1.0   Fined Interval, Institut   97.4   4.2   0.5     1.0   Intervacional lights   97.4   4.2   0.5     1.0   Second Step.   533.9     1.11   2.1   2.1   2.1   2.1     1.12   2.1   2.1   2.1     1.13   2.1   2.1   2.1     1.14   2.1   2.1   2.1     1.15   2.1   2.1   2.1     1.15   2.1   2.1   2.1     1.15   2.1   2.1   2.1     1.15   2.1   2.1   2.1     1.15   2.1   2.1   2.1     1.15   2.1     1.15   2.1   2.1     1.15	10   10   10   10   10   10   10   10	1712   1803   -1.0	Foundation of the Course of th
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Or. Ja Ro. Jr, Sara Lee S1 Bir Ju Se De Sani RS F. ISI	Paid   Stock   Price   and   Net   Cvr   Gra  Price	National Comparing 5p   169   11794   1213   316   1.81221	May	Secretary force   10	June   Lileshall   10e   279   27.4   225   05   1.1	
CANADIANS	July   Dec   Pochum	April   Do '8'	Apr   SentDary Coru   172   232   14.8   30   38   95     July DecCheta Group   305   94   1.6   20   34   30.1     Esb July DecCheta Group   305   94   1.6   20   34   30.1     Dec July DecCheta Group   305   94   7.7   32   4110.2     Laby DecCheta Eriss   255   64   7.7   32   4110.2     Laby DecCheta Eriss   255   64   7.7   32   4110.2     Laby DecCheta Eriss   255   251   251   251     Dec July Hoff Cles in 25   251   251   251     Laby DecCheta Eriss   73   93   13   13   23     Laby DecCheta Eriss   250   252   251     Laby DecCheta Eriss   250   252   252   253     Laby DecCheta Eriss   250   252   253   253     Laby DecCheta Eriss   253   253   253   253     Laby DecCheta Eriss   253   253   253   253   253     Laby DecCheta Eriss   253   253   253   253   253   253     Laby DecCheta Eriss   253   2	May	June   WMartesons / \$   27	
February   Francis   Fra	Mar.   Oct.   Treen Holdings   100   133   23.2   1.15   56   1.21   19.9     June   Tryson   Costr.   100   548   3.6   3.6   3.6   3.6     June   Tryson   Costr.   100   548   3.6   3.6   3.6   3.6     June   Tryson   Costr.   100   548   3.6   3.6   3.7   2.5     Mar.   Dec.   Hull   Costron   Costro	March Oct. Carle & Wireless 50p.   41   19.2   144.75   3.1   15.21.7     Mor. MayCambridge Elec	October Heath Samuel 900, 475 (15 9) 413, 23 4, 37 4,	Feb.   Aug   Seecham	Declaration	
HP & LEASING	Oct   Mary-Anna Holdrings	Deliborate   Del	Jam	May   May Gridon   2141-6.3   5.91   6   3.9/23.3   Aug.	NoPearon   662 6.4   12.0 2.8   2.517.7     Peek Hoidings 30   1281-  1.0 2.8   2.517.7     Ordensard 100   230x111.5   10.4235.8   0.315.2     Dec   Phitus-Me	
May   MonRenchmark 200	Angest   Spelmar Group   63rd   15   2.19   \$   4.7   \$   \$   \$   \$   \$   \$   \$   \$   \$	as Assylfat Elec 100	Agr. Oct Santile Gordon 100   963/522   tht.28 22   18/338   Janis Stanes Enging 10p   453/54   2.00 24   43/13.4   Janis Landy Grosp   354   11.5   11.5   2.7   4.5   12.4   Janis Stanes Front 5.0   176   27.4   57.7   22   4.0   13.4   May Sept. TACE 10p   460   21.2   8.7   2.0   4.0   13.4   May Oct IT Grosp 50p   357   93   8.0   2.3   3.1   16.0   May Oct IT Grosp 50p   155   6.4   3.5   16   3.2   23.1   May Grosp 50p   155   6.4   3.5   16   3.2   23.1   May Grosp 50p   155   6.4   3.5   16   3.2   23.1   May Janty 50p   155   164   1.5   1.5   2.5   4.3   12.8   May Janty 50p   16   177   16   1.5   1.5   1.5   May Janty 50p   177   177   177   1.5   1.5   1.5   May Janty 50p   177   177   1.5   1.5   1.5   1.5   May Janty 50p   177   177   1.5   1.5   1.5   1.5   May Janty 50p   177   177   1.5   1.5   1.5   1.5   1.5   May Janty 50p   177   177   1.5   1.5   1.5   1.5   May Janty 50p   177   177   1.5   1.5   1.5   1.5   May Janty 50p   177   1.5   1.5   1.5   1.5   1.5   May Janty 50p   177   1.5   1.5   1.5   1.5   1.5   May Janty 50p   177   1.5   1.5   1.5   1.5   1.5   May Janty 50p   177   1.5   1.5   1.5   1.5   1.5   May Janty 50p   177   1.5   1.5   1.5   1.5   1.5   May Janty 50p   1.5   1.5   1.5   1.5   1.5   May Janty 50p   1.5   1.5   1.5   1.5   May Janty 50p   1.5   1.5   1.5   1.5   1.5   May Janty 50p   1.5   1.5   May Janty 50p   1.5   1.5   1.5   May Janty 50p   1.5   1.5   May Janty 50p	Fearonce   109   1316   27.4   R2.0   1.9   2.133.8   Insection   106   1212   1318   1.9   2923.7   Insection   1218   1.9	Merik Ramon Oil Servs. 10p.   27   26   0.7   3.6   18.0   20   3.1   18.0   21   21   21   21   21   21   21   2	
July Dec'Nat Ass., 8k, AS1	Agr. Sept.Ransom (Wm.) 10p 72 27.2 rb 10 3.1 1.9/24.4 p. 1.0 p. 1.9 p. 1	Company   Comp	Author	January   Golorgen (nr. Sp. 01)   31	OctSoot Herdable Tst. 284 6.4 94 0 33 21198 Sept Securious Group 280 23.2 1.07 5.1 0.551.1 Sept Do. W.N-V 252 23.2 1.07 5.1 0.464.0 45-computed Grp 50 196 23.2 3.5 2.4 2.423.0 Sept Sent Services 23.2 2.06 3.1 1.236.0	
#758 Charmet Hands.   141   1.6   R3 92   3.7   3.4 9.8    Mar SeptUnion Discount £1	December   \$\frac{1}{2}\text{cass Jenellery 10} \  \text{0.7} \  \frac{47}{23} \  \text{11} \	Try RockMemer 100	Acases & Nativestrico	Sen.   July  De-La Rue   455-6015.6   72.016/2.0   35.16.4   May   Mor/Delaney 100   126   22.3   62.71.17   2.926.9   Apr   July   Jan/Duploma 5p   268   16.6   15.25   25.5   28.19.9   Apr   Jan/Duploma 5p   268   16.6   15.25   25.5   28.19.9   Apr   Apr   May   Delaney 100   136   12.1   5.11   16.5   16.4   Apr   Ap	Juni   Section   Juni	
WINES & SPIRITS	Frb AugBreuner 98 23.10 10.5 0.3 0.7 — 15-60. Aug Breuner 10.120p. 6404015 6 7 5 3.1 15.27.7 Mark Frb. Aug Breuner 10.120p. 6404015 6 7 5 3.1 15.27.7 Mark Frb. Aug Breuner 10.120p. 6404015 6 7 5 3.1 15.27.7 Mark Frb. Aug Breuner 10.120p. 122.2 12.2 12.2 12.2 12.2 12.2 12.2 1	March   Marc	May   Oct   Major   Oct   Oc	May Expained Int	JuneState Par Steeler   34   12.74   1.10   30.3   4.3   1.2   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   3.1   4.5   3.1   3.1   3.1   4.5   3.1   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3.1   4.5   3.1   3	
Ang Marchiotinness	April	Bc.   Do. 'n' 20p   183   6.4   5.76   30   4.3   9.1     ar Sepil-Plusmer 10p   80   11.8   2.1   2.6   3.61   1.6     ar Sepil-Plusmer 10p   80   11.8   2.1   2.6   3.61   1.6     ar Sepil-Plusmer 10p   120   7.76   1.5   1.5     ar Mayl-Plusmer 10p   120   7.76   1.5   1.3     ar Mayl-Plusmer 10p   260   6.4   12.5   3.7   3.1   1.5     ar Member   Process Systems 1nt.   25   13.10   20.25   0.6     ar Head Electronics   25   13.10   20.25   0.6     ar Head Electronics   27   9.2   13.07   3.0   1.6     ar Head Electronics   27   9.2   13.07   3.0   1.6     ar Head Electronics   27   9.2   13.07   3.0   1.5     ar Gui Do TocCota 2009-14   12.22   2.3     ar Head Electronics   27   9.2   3.0   3.0   1.5     ar Head Electronics   27   9.2   3.0   3.0   1.2	May   Novideets 50   288   11.5   1.3.2   6   1.5   6     Oct.   Apr   Glass Grover 50   322   49.2   4.3   2.0   1.76.2   7.7     Feb.   Nov   SClobal Gro. 100   91   93.3   12.79   2.2   4115.3     May   Oct. Gregor 200   420   64.4   5.77   31   1.923.9     Apr   Oct. Harlands 100   429   13.2   46.7   64.2   40.1   127   6     Apr   Oct. Harlands 100   429   13.2   46.7   40.1   33.80.0     Apr     Apr   Mark Historian Hidge 100   200   23.3   4.5   2.6   2.2   2.0     Apr   Mark Historian Hidge 100   200   23.3   4.5   2.6   2.2   2.0     Apr   Mark Historian Hidge 100   370   6.4   3.7   3.3   1.4   3.1     Apr   Mark Historian Frozen 100   370   6.4   3.7   3.3   1.4   42.8     Apr   May   Mark Lacor IW AR   3.2   3.2   4.5   3.2   4.5     Apr   Mark Historian Hidge 100   370   6.4   3.7   3.3   1.4   42.8     Apr   Mark Lacor IW AR   3.2   3.2   4.5   3.2   4.5   3.2     Apr   Mark Historian Hidge 100   305   3.5   3.5   3.5   3.5   3.5     Apr   Mark Lacor IW AR   3.2   3.2   3.3   3.1   3.3   3.1     Apr   Mark Lacor IW AR   3.2   3.3   3.1   3.3   3.1     Apr   Mark Lacor IW AR   3.2   3.3   3.1   3.3   3.1     Apr   Mark Lacor IW AR   3.2   3.3   3.3   3.1     Apr   Mark Lacor IW AR   3.2   3.3   3.3   3.1     Apr   Mark Lacor IW AR   3.2   3.3   3.3   3.1     Apr   Mark Lacor IW AR   3.2   3.3   3.3   3.1     Apr   Mark Lacor IW AR   3.2   3.3   3.3   3.1     Apr   Mark Lacor IW AR   3.2   3.3   3.3   3.1     Apr   Mark Lacor IW AR   3.3   3.3   3.3   3.1     Apr   Mark Lacor IW AR   3.3   3.3   3.3   3.1     Apr   Apr   Apr   3.3   3.3   3.3   3.3   3.3     Apr   Apr   3.3   3.3   3.3   3.3     Apr   3.3   3.	Jan	August Group	
TIMBER, ROADS	Goodman Bros. 5p   63# (1078)   121.07 3.4 1.4   Mar   Mar   Decificant Universal   2021.07 2   121.07 3.4 1.20 1.10   Mar   Decificant Universal   2021.07 2   121.07 3.4 1.20 1.10   Mar   Mary   More Hampton Homezon (Ids   1.10   6.4   1.10   4.3   2.01 9.1   Mary   More Hampton Homezon (Ids   1.10   6.4   1.10   4.3   2.11 4.9   Aug   Junitarro Guercinova (20)   521   1.5   5.75 2.9   31.14 7   Mar   Decificance (Incomp. 1	AngSarasota Tech. 10p.   225   812   +1254  21   13444   Jan Scatteron 10p.   228   221   +1254  21   13444   Jan Scatteron 10p.   228   223   1112   Western 124   574em   238     Western 125   56   375   46   375   46   14721   Western 10p.   165   299   0.53   3.9   1.212a.   Western 10p.   165   29.9   0.53   3.9   1.212a.   Western 10p.   165   29.9   0.53   3.9   1.212a.   Western 10p.   165   23.9   0.55   1.214.   Western 10p.   167   125   1.21   1.21   1.21   Western 10p.   167   125   1.21   1.21   1.21   Western 10p.   167   1.21   1.21   1.21   Western 10p.   167   1.21   1.21   1.21   1.21   Western 10p.   167   1.21   1.21   Western 10p.   167	Agr.   No.   Mear Trade Sen	Gordon Rissell 50.   345   64   15.0   27   15.2   6   15.0   27   15.2   6   15.0   27   15.2   6   15.0   27   15.2   6   15.0   27   15.2   6   15.0   27   15.2   6   15.0   27   15.2   6   15.0   27   24   25   24   25   25   25   25   25	Illingroad   150	
Mar.   Aug.   Sern Bros. 20b.   117   26.1   63.1   1.1   36.52.9   0ct.   Blockhers 20b.   425m 6.4   Mc.29   28.1   435.6   3.0   0ct.   Aug/Blue Circle E.    485.8   27.4   Mt.1.5   26.   3.2   13.0   3.7	Section   Sect	b Adyl-Telecompulsing 105 - 285-d15.6 1.51.6 to 0.7/34.7 to Inserte letter are 1500 - 450 - 201 1.011-3 to 5.7 to 4.4 to 1.0 to	Mar. Sent/Texto 50	Security Hessan   Hessan   SE2   11.5   42.5   4.11.5   6.2	Northitestrate (L. Augel 59   310 27.4   311 6.0   1.0 21.2     Aug. Whitestrate (L. Augel 59   310 22.12   410.0 22   4315.1     Northitestrate (L. Augel 59   310 22.12   410.0 22   4315.1     Northitestrate (L. Augel 50   477.25.1   90.8   35.2   313.9     State (L. Augel 50   477.25.1   90.8   35.2   313.9     State (L. Augel 50   477.25.1   90.8   35.2   313.9     State (L. Augel 50   477.25.1   90.8   35.2   313.9     Northitestrate (L. Augel 50   22.3   310.0   29.2   317.0     Northitestrate (L. Augel 50   32.3   30.4   2.5   2.4   3.1     Northitestrate (L. Augel 50   32.3   30.4   2.5   3.1   3.1     Northitestrate (L. Augel 50   3.3   3.4   3.1   3.1     Northitestrate (L. Augel 50   3.3   3.4   3.1   3.1     Northitestrate (L. Augel 50   3.3   3.4   3.1     Northitestrate (L. Augel 50   3.3   3.4   3.1     Northitestrate (L. Augel 50   3.4   3.1   3.1     State (L. Augel 50   3.4   3.1     State (L. Augel 50   3.4   3.1   3.1     State (L. Augel 50   3.1   3.1   3.1     State (L. Augel 50   3.	
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# **Tender Offer**

#### ROBERT FLEMING & CO. LIMITED

#### THE FIRST BOSTON CORPORATION

on behalf of

# Dairy Farm International Holdings Limited

to purchase ordinary shares of 10p each in

# Kwik Save Group P.L.C.

at 450p per ordinary share.

This Tender Offer closes at 3.00 p.m. on 30th June, 1987.

Robert Fleming & Co. Limited 25 Copthall Avenue, London EC2 (Registered in England, No. 262511)

The First Boston Corporation 22 Bishopsgate, London EC2 (Incorporated with limited liability in the Commonwealth of Massachusetts, USA)

22nd june, 1987

Dear Sir or Madam

To the holders of ordinary shares of 10p each in Kwik Save Group P.L.C. ("Kwik Save").

TENDER OFFER ON BEHALF OF DAIRY FARM INTERNATIONAL HOLDINGS LIMITED ("DAIRY FARM")

On behalf of Dairy Farm, we hereby offer to acquire by tender ("the tender offer"), on the terms and subject to the conditions set out below, up to 32,580,788 ordinary shares of 10p each in Kwik Save ("Kwik Save ordinary shares") repre approximately 21.53 per cent. of the issued ordinary share capital of Kwik Save. Dairy Farm already holds 5,250,000 Kwik Save ordinary shares (representing approximately 3.47 per cent. of the issued ordinary share capital) and its holding in Kwik Save would therefore increase, following successful completion of the tender offer to 37,830,785 Kwik Save ordinary shares, representing 25 per cent. of the issued ordinary share capital of Kwik Save.

#### Terms and Conditions of the Tender Offer

- (1) The consideration under the tender offer shall be a fixed price of 450p in respect of each Kwik Save ordinary share tendered and accepted.
- (2) Unless tenders in respect of more than an accrecate of 17.448.471 Kwik Science ordinary shares (representing approximately 11.53 per cent. of the issued ordinary share capital of Kwik Save) are received, the tender offer shall be void.
- (3) Subject to the provisions of paragraph 2 above, all tenders shall be
- (4) The tender offer will close at 3.00p.m. on 30th June, 1987 and no tenders received after that time will be accepted.
- (5) Kwik Save ordinary shares shall be acquired by Dairy Farm free from all liens, charges and encumbrances, and with all rights now or hereafter attaching thereto including the right to receive all dividends and other distributions declared, made or paid after the date hereof save for the interim dividend of 2.1p (net) per Kwik Save ordinary share announced on 14th May, 1987 and payable on 1st July, 1987 to shareholders on the register on 22nd May, 1987.
- (6) Shareholders may tender all or any part of their holdings. If the aggregate number of Kwik Save ordinary shares tendered amounts to more than 32,580,785 Kwik Save ordinary shares, tenders will be scaled down pro rata.

(7) All tenders must be made on the form of tender which forms part of this document ("the form of tender"), duly completed in accordance with the instructions therein, which constitutes part of the terms of the tender offer.

(8) Notwithstanding that no certificate(s) is/are delivered in respect of it, a duly completed form of tender (i) executed under seal of Sepon Limited and endorsed on behalf of The Stock Exchange to the effect that the Kwik Save ordinary shares to which it refers are the whole or part of a holding registered in the name of Sepon Limited and/or are Kwik Save ordinary shares to which Sepon Limited is unconditionally entitled immediately to become the registered holder; or (ii) executed by any other person(s) and endorsed on behalf of The Stock Exchange to the effect that such person(s) is/are unconditionally entitled immediately to become the registered holder(s) of the Kwik Save ordinary shares and that one or more Talisman transfer(s) in favour of such person(s) in respect thereof is/are in the course of registration, shall be treated as valid in all respects on the date of its actual receipt, provided that, on presentation to Kwik Save for registration, the instrument of trans executed pursuant thereto is unconditionally accepted for registration. Any duly completed form of tender bearing the stamp of a member of The Stock Exchange may at the discretion of Dairy Farm be treated as valid notwithstanding that no certificate(s) or other document(s) of title is/are delivered in respect of it.

(9) The tender offer shall be governed by and construed in accordance with English law

#### Procedure for Tendering

Forms of tender duly completed should be returned together with certificate(s) in the name(s) of the person(s) executing the relevant form and/or other document(s) of title for at least the number of Kwik Save ordinary shares being tendered to National of tender as soon as possible but in any event so as to arrive not later than 3.00 p.m. on 30th June, 1987. If some but not all of the shares represented by a certificate delivered with a form of tender are sold pursuant to the tender offer, the relevant shareholders will be entitled to receive from Kwik Save a certificate for the unsold shares.

(1) The result of the tender offer and (if applicable) the basis of scaling down tenders will be announced by 9.00 a.m. on 1st July, 1987, the business day next following:

(2) Cheques will be despatched not later than 10 business days following the closing date or, if later, the date of receipt of the relevant certificate(s) and/or other document(s) of title to holders of Kwik Save ordinary shares whose tenders, valid and complete in all respects, are received before the tender offer closes in respect of the number of Kwik Save ordinary shares successfully tendered and, if applicable, after taking account of any scaling down.

(3) All documents and remittances sent to holders of Kwik Save ordinary shares will be sent at their own risk and no acknowledgement of receipt of documents will be sent. If an insufficient number of Kwik Save ordinary shares is tendered, as set out above, forms of tender, certificates and/or other documents of title will be returned within 10 business days following the closing date.

#### Dairy Farm's Intentions

Dairy Farm is interested in acquiring a substantial long term strategic share holding in Kwik Save, a business which has many of the same characteristics as its own. It is not Dairy Farm's intention to make any general offer to acquire all the issued share capital of Kwik Save for at least twelve months. However, Dairy Farm reserves the right to reconsider its position in the event of any material change of circumstances, including for example if the Board of Kwik Save were to recommend such an offer or propose a material corporate transaction or if a third party announces its intention to make any tender or general offer for ordinary shares of Kwik Save.

#### Taxation

The disposal of Kwik Save ordinary shares pursuant to the tender offer will constitute a disposal or part disposal for the purposes of United Kingdom taxation on capital gains and may give rise to a liability to taxation. Any shareholder who is in any doubt as to his tax position should consult his professional adviser.

#### Yours faithfully,

for and on behalf of Robert Fleming & Co. Limited I.D. CROSLAND Director.

for and on behalf of The First Boston Corporation RICHARD S. KELLY Vice President.

#### APPENDIX

(1) The following table sets out the middle market quotations for Kwik Save ordinary shares based on The Stock Exchange Daily Official List, at the close of business on the first dealing date of each month from January, 1987 and on 17th June, 1987 (the last dealing date prior to the amouncement of the tender offier).

Dates 1987	Price p	<b>Dates 1987</b>	Price p		
2nd January	243		-		
2nd February	260	lst May	293		
2nd March	261	1st june	314		
lst April	284	17th June	382		
(3) Robert Fleming & Co. Limited and The First Boston Corporation are satisfied that sufficient resources are available to Dairy Parm to satisfy the immediate cash consideration under the tender offer.					

Unless the context otherwise requires, expressions defined in the tender offer document dated 22nd June, 1967 from Robert Fleming & Co. Limited and The First Boston Corporation bear the same meanings in this form.

#### FORM OF TENDER for the sale of

#### KWIK SAVE ORDINARY SHARES.

Action to be taken

If you wish to tender all or any of your Kwik Save extinary shares, you should complete and sign where indicated below. You should insert the number of Kwik Save ordinary shares which you wish to tender in the relevant box and sign the form. and then send it together with your certificate(s) and/or other document(s) of title for at least the total number of 10p ordinary shares tendered to National Westminster Bank PLC, New Issues Department at the address given below as soon as possible but in any event so as to arrive not later than 3.00p.m. on 30th June, 1987.

if you have lost one or all of your certificates you should follow the ocedure in note (e) below. Your strention is also drawn to the additional tes below.

#### NOTES REGARDING THE COMPLETION AND LODGING OF THIS PORM

The following notes should be read carefully as in order to be valid the form of tender must be correctly completed in all respects and received by National Westminster Bank PLC at the address given below by 3.00 p.m. on 30th June, 1997, logather (subject to Condition (8) set out in the tender offer document referred to above) with the relevant certificate(s) and/or offer document(s) of title and, where appropriate, death certificate, probate, letters of administration, marriage certificate and/or deed poil.

In order to be valid this form must, except as mentioned below be signed personally by the registered holder or, in the case of a joint holding, by ALL the registered holders. A body corporate must execute this form under seal, the seal being affixed and witnessed in accordance with its Articles of Association or other regulations.

#### The following suggestions are made to secial delay and income (a) If a holder is away from home (e.g. abroad or on holiday):-

- He access to every noun name (e.g. armost or on nounery).— Send this form by the quickest means (e.g. armost) to the holder for execution, or, if he has executed a power of attorney, have this form signed by the attorney. In the latter case, the power of attorney (or a duly cartified copy, as provided in the Powers of Attorney Act 1971) must be lodged with this form for noting. No other signatures will be
- (b) If you have sold your holding in Ewik Save:-You should immediately hand this form to the purchaser or to the stockbroker, bank or other agest through whom the sale was effected for transmission to the purchaser.

- (c) If the sole holder has died:-
  - If probate or letters of administration have been registered with Kwik Save, this form must be signed by the personal representative(s)

If probate or letters of administration have been granted but have not been registered with Kwik Save, the personal representative(s) should son this form and forward it to National Westminster Bank PLC at the address given below with the certificate(s) and with a copy or at the address given below with the certificate(s) and with a copy or the probate or letters of administration as soon as possible.

(d) If one or more of the joint holders has died:-This form is valid if signed by all the surviving holders and lodged with National Westminster Bank PLC at the address given below, accompanied by the death certificate, probate or letters of admini-

(e) If one or all of your certificate(s) has/have been lost or is/are not reactily available:-Complete and lodge this form with a letter of explanation and any cartificates available with National Westminster Bank PLC at the address given below. At the same time you should write to the Registrars of Ewik Save for a letter of indemnity which should be securities given below, at the same time you should write to the Registers of Kwik Save for a letter of indentity which should be completed in accordance with the instructions given. When completed the letter of indentity must be lodged with National Westminster Bank PLC at the address given below by 3.00p.m. on 30th June, 1987. No payment will be made under the teams of the tender offer unless certificate(s) and/or other document(s) of title, or an acceptable indentity in lieu thereof, is/are received by the due date.

If your name or other particulars are shown incorrectly on the

complete and lodge this form with the correct name and accompanied by a letter from your bank, stockbroker or solicitor, comming that the person described on the certificate and the person who has signed this form are one and the same;

(ii) incorrect address;
 write to the correct address on this form

(III) change of name:lodge your marriage certificate or the deed poil with this form for
noting,

Further copies of this form are available from:-

National Westminster Bank PLC New Issues Department PO Box 79, 2 Princes Street London EC2P 2BD

Robert Fleming & Co. Limited 25 Copthall Assume London EC2 TDR

The Pirst Boston Corporation
22 Bishooses 22 Bishopagale London EC2N 4BO

Cazenove & Co. 12 Tokenhouse Y

To: Robert Fleming & Co. Limited and The First Boston Corporation ("the Managers") and Dairy Farm International Holdings Limited ("Dairy Farm")

 I/We, the undersigned, have received the tender offer docum dated 22nd June, 1987 (the "tender offer document") from the Manag used some june, 1861 (the "tender offer document") from the Managers offering on behalf of Dairy Farm to acquire by way of tender up to 32,580,785 Kwik Save ordinary shares. I/We hereby irrevocably tender to the Managers, on the terms and subject to the condition set out in the tender offer document.

\*INSERT HERE THE NUMBER OF ORDINARY SHARES WHICH YOU WISH TO TENDER AND THEN SIGN BELOW. IF THE BOX IS LEFT BLANK, YOU WILL HAVE TENDERED THE HOLDING, REPRESENTED BY THE CERTIFICATE(S) ENGLOSED WITH YOUR

Kwik Save ordinary shares held by me/us, or such smaller number may result from scaling down in accordance with the provisions of the ider offer document, at 450p per ordinary share for settlement in cash.

(3) Subject to the tender offer becoming unconditional in all respects, my/our execution of this form shall constitute: (i) my/our irrevocable acceptance of the offer on behalf of Dairy Farm contained in and on the terms and subject to conditions in the tender offer document in respect of the number of Kwik Save ordinary shares set out or deemed to be set out above (or such smaller number as may result from scaling down in accordance with the provisions of the tender offer document); (ii) an interocable appointment (by way of security for my/our contractual obligations hereunder) of Dairy Farm and any director of any of the Managers as my/our stomey to complete and execute on my/our behalf and in my/our name one or more instruments of transfer in favour of Dairy Farm of the Kwik Save ordinary shares in respect of which I/we have accepted or shall be deemed to have accepted that offer and on my/our behalf to execute my further documents and to do any other acts as may be necessary or expedient to give effect to any such transfer; and (iii) my irrevocable authority and request to Dairy Farm or its agents to send by post at my/our risk to the person or agent whose name and address are set out below or if none is set out, to the first named holder at his/her address set out below a cheque for the cash consideration due to me/ns and any documents of title to which I am/we are entitled.

(4) Subject to the tander offer becoming unconditional in all respects, my/our execution of this form shall constitute an irrevocable appointment (by way of security for my/our confractual obligations heremoter) of each of Dairy Farm and any director or any of the Managers as my/our attenney; (I) to execute on my/our behalf any form of proxy in respect of such number of Kwik Save ordinary shares which I/we have tendered hereby and which are accepted by Dairy Farm; and (ii) to appoint any person nominated by Dairy Farm to attend as and to vote for me/us and on my/our behalf in such manner as he thinks fit, or to asbtain from voting, at any meeting of belders of Kwik Save ordinary shares pending the registration of the transfer in respect of such Kwik Save ordinary shares.

Please insert below in BLOCK CAPITALS the name and address of the person or agent to whom you wish any cheque and/or document of tiple to be sent (if other than to the first named shareholder at his/her address set out below).

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Signed, sealed and del	PLEASE SIGN HERE ivered by the underment	tioned etravaledow-k
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Forename(s)		
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(2) Second Holder (if an		
State whether Mr., Mrs.	, Miss or Title)	
Foresame(s) (in full)		
(3) Third Holder (if any)		$\sim$
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Surname	, Miss or Title)	***************************************
Foresame(s)		
(4) Fourth Holder (if any	)	
Usual signature	•	(LS)
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Forename(s)		••••••
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1987 Jame 19 Price Schra	ITALY Continued  1987   June 19   Price High   Low   June 19   Livy	GERMANY  1967 High Law Jame 19 Price	JAPAN  1987 June 19 Price Nigh   Law   Yea	CANADA
1910   1910	141200 129000 Generali Assicur 134800 101000 72000 Italicement 98500 1340 960 La Rinascesti 1275 2968 2501 Montedson 2555 14700 11900 (invett) 13780 7840 6420 Pirretti Co 6550 5750 4990 Pirretti Co 6550 4990 Pirretti Spa 5310 4360 3680 Saspem 3750 35500 27720 Toro Assic 32990 SWITZERLAND	350   ZBO   AEG   315.50 2220   1553   Allianz Vers   1795.00 303.5   229   BASF   303.50 334.5   274   Bayer   334.50 56.3   365   Bayer   Hypo   408.00 523   375   Bayer   Verbin   415.00 543   390   BHF-Bank   430.00 650   455   BMW   650.00 344   270   Brown Boveri   319.50 342   224.5   Commerchant   24.65	4100   1890   Ajinomoto	Sales Stack High Low Class Chag  TORONTO  Closing prices June 19  12327 AMACA int \$10% 10% 25% 25% 25% 25% 25% 25% 25% 25% 25% 25
Section   Sect	1987   June 19	240   200   D'sche Baboock   22b.00   2790   271   Deutsche Bank   641.60   381   286   Dressine Bank   641.60   381   286   Dressine Bank   641.60   381.02   288   Feid Muehle Nob.   303.80   531   458   Henkel   639.5   1110   634   Hochtel   639.5   297   240   Hochtel   639.5   297   240   Hochtel   229.00   2793   201   Horten   229.00   2793   201   Horten   229.00   479   403   Karsladt   445.00   51.8   35   Kloeckner   703.00   51.8   35   Kloeckner   703.00   51.8   35   142   Kladhod   481.50   182.01   182.01   182.01   183.01   1	1900   1940   Davel   1900   1900   1900   1900   Davel   Kan Bank   3700   1900   1900   Davel   Kan Bank   3700   2400   1700   Davel   Nippon Ink   754   2400   1700   Davel   Nippon Ink   754   2400   1700   Davel   Nippon Ink   754   2570   2630   1750   Davel   Sec   3080   2380   1750   Davel   Sec   3080   2380   1710   Esal   2090   6100   386   Fanut   3610   2620   3170   Fuji   Fujim   3650   2370   1750   Fuji   Fujim   3650   2370   1750   Fuji   Fujim   3650   2370   1750   Fuji   Fujim   2000   1750   Fujikswa   2000   1170   Fujikswa   2740   1150   B60   Hitach   1150   1150   Hitach   1150   1150   Hitach   1150   1160   1160   Hitach   1750   1160   1160   Hitach   1750   1160   1160   Hitach   1750   1160	10500 BP Canada \$211; 21 21; \$1, \$1, \$1, \$1, \$1, \$1, \$1, \$1, \$1, \$1,
970   720   Baltica Skand	FINLAND  1987   June 18   Price   Mka   223   148.5   Arner   221   52.3   43.75   KOP   49.55   248.5   184   Kone   215   118   88.6   Frimish Sugar   88.6   179.5   132.5   Nokia   169.5   92.7   69   Pohjola '8'   82.75   28.25   19   Rauma-Repota   27   246.5   137.5   Stockmann 'B'   243.5   154.5   130.5   Utd. Paper   151.5   217   135.5   Wartsita (sl1)   206.5    SINSAPORE  1987   June 19   Price   1988   June 19   Price   1988   June 19   Price   1989   June 19   Price   1981   June 19   Price   1989   Ju	1987   1987   1988   1989   1980   1987   1980	452   330   Mazda Motors   431   1220   800   Meija Selka   1120   2100   14e0   ME   Selka   1120   2100   14e0   ME   Selka   1120   2100   14e0   ME   Selka   3810   1230   731   M'bishi Bank   3810   1230   731   M'bishi Chem   1180   603   408   M'bishi Clerc   1360   603   408   M'bishi Clerc   585   3490   2440   M'bishi Estate   2790   662   430   MH   State   2790   3030   1310   Missi Bank   2790   3100   1850   Missi Estate   2650   804   335   Missi Estate   2650   804   335   Missi Toatso   741   1840   1020   Missi Bank   2580   1040   Nippon Derso   1620   1610   1200   Nippon Eyeres   1340   1610   1270   Nippon Eyeres   1340   1610   1270   Nippon Eyeres   1340   1620   367   230   Nippon Gakki   1680   850   600   Nippon Koyaki   850   1410   1120   Nippon Koyaki   305	231 CCom ax p   515y   15y   15y
109 86.5 Elitera 104.00 161 133 Kosmos 140.50 212.5 170 Kværner 206.00 258 204 Norsk Data 219.00 209.5 231 Norsk Hydro 200.50 424 370 Orkia Borregaar 395.00 368 290 Storebrand 348.00	6 4.25 Ceretos Pacific	328 323 CGE 323.00 3150 2360 Damart 2670 545 379 Darty 379 2560 1912 Durnez S.A. 2162 1343 1136 Eaun (Gir Gen) 1153 308 314 Gif-Aquitaine 366.20 3772 3219 Essilor 3499	1470   1000   Nrippon Shirman   1420   398   171   Nrippon Steel   336   336   460   Nrippon Suisan   637   691   443   Nrippon Suisan   637   651   550   Nrissan Motor   715   1450   728   Nrissan Flour   1320   3200   3	OVER-THE-COUNTER Nasdaq national market, closing prices June 19
1987   1982   1982   1980	5.60 2.72   Inchcape Bhd	1380   1069   Gen, Occidentale   1116   133   84.6   Immetal   115.00   1760   1326   Lafarse Coppee   1485   4530   3785   L'Oreal   4025   5980   4358   Legrand   5310   598.5   2200   Matra S A   2200   2265   2200   Matra S A   2200   2200   Matra S A   2200   2200   Moch-lie mersy   2500   119   75   Modifier   75   400   1295   229   159.3   Nord Est   159.30   1186   959   Pernod Ricard   959.00   2350   2475   2460   2475   2476	1390	Stock Sales High Law Last Clong (Hinds)  Continued from Page 39  O O O O O O O O O O O O O O O O O O O
1887   1887   1887   1888   1888   1888   1878   1888   1878   1888	5.1 4.35 Boral	1967	17150	Peace 1.00a 20 1146 894 60 60 60 4 4 52 520 20 50 50 50 50 50 50 50 50 50 50 50 50 50
NEW YORK DOW J	ones Indi			

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FINANCIAL TIMES

— Europe's Business Newspaper

171.35 172.57 171.84 171.44 338.64 338.29 337.32 339.90 428.44 427.53 428.97 429.08 NASDAQ OTC Comp 2 93 283 May 20 June 3 May 27 264 21.21 2.55 21.97 1,953 789 724 940 65 8 **CANADA** June 16 June 17 MONTREAL Portfolio . 1896.15 1877.75 1874.44 1854.84 1935.0 (b/4) 1534.3 (2/1) NEW YORK ACTIVE STOCKS

DOW JONES

354.22 353.22 353.04

30.43

30.44

355.80

30.36

30.42

AUSTRALIA 182.21 (196) penhages SE (3/1/83)\_ 211.40 210.89 217.57 (22/1) FINLAND Unitas General (1975). 392.0 (21) 97.8 (21) 538,32 (19/3) 1633.8 (19/3) 3365.64 3333.74 3378.62 3378.68 3378.62 (17/6) 2449.88 (20/1) 711.40 715.99 715.01 719.03 767.34 (304) 673.60 (3/3) 28544.0 (13.2) 1557.86 (13/1) METHERLANDS AMP C85 Gen (1970) ..... AMP CBS Indest (1970) .... 434.29 434.E1 361.98 (2/1) SINGAPORE Strats Times (30/12/66) 889.08 (2/1) JSE Gold (28/9/76) ... JSE hagast (28/9/78) 5PAIN Madrid SE (30/12/85) ... SWEDEN Jacobson & P. (31/12/56) 477.70 479.8 479.30 480 30 (12:6)

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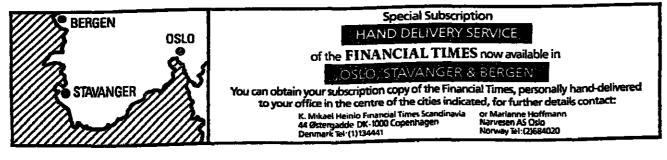
# NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month La 18 Mon Stock Bw.
Mesab 70e
Mesab 10e
Mesab 10e
Mesab 10e
Mesab 11e
Mesab Class | Class | Strain | Strai Low 471° 1 471° | Shock | Div. | The | 19th | High | LAAR | S | 50 | 15 | 22 | 237 | 1327 |
ADT	S2	29	18	210	227	
ADT	S2	29	18	210	227	
AGG	S	16	8	12	555	159
AMACA	Init	12	1538	593		
AMACA	Init	12	1538	593		
AMACA	Init	12	1538	593		
AMACA	Init	12	1538	593		
AMACA	Init	12	255	107		
ASA	22	3.5	125	177		
ANILISIO	1	1.5	27	5105	653	
ACCOMB	A4	19	27	270	284	
ACCOMB	A4	19	27	270	284	
ACCOMB	A4	19	27	27	284	
ACCOMB	A4	27	28	28		
AMAD	pri	3	8.0	167	503	
AMAD	pri	3	8.0	167	503	
AMAD	pri	3	8.0	167	503	
AMACA	17	27	19			
Advest	12	21	28	153		
AMACA	22	25	17	264		
AMAD	pri	3	8.0	167		
Advest	12	29	163	123		
Advest	12	27	27	27		
Advest	12	29	163	123		
Advest	12	27	27	27		
Aller	pri	21	21	25		
Aller	pri	21	21	25		
Aller	pri	21	21	25		
Aller	pri	21	21	25		
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Aller	pri	22	21	21		
Aller	pri	22	21	21		
Aller	pri	23	24	24		
Aller	pri	24	25	25		
Aller	pri	25	27	27	The content of the	Section

# NYSE COMPOSITE CLOSING PRICES

# ARMEY CORDOCIDE OF OCINIC DDICECCLosing prices,

Signal A	NYSE COMPO	SITE CLOSING	PRICES	AMEX COMPOSITE CLOSING PRICES Closing prices, June 19
AND	431, 27 Proter 1.40 3.4 43 41 40%, 41 134 136 PruRIC 3 154 156 152 157 -19 1 154 156 157 157 157 157 157 157 157 157 157 157	AT   38   Somk   pf4.87e   11.   21   41   41   41   41   41   41   41	111: 87: USICk pf1.30 13 10 101: 101: 101: 4-1: 113: 125: UNITED 1.92 6.8 19 37:39 281: 25 UNITED 1.92 6.8 19 37:39 281: 25 UNITED 1.92 6.8 19 37:39 281: 281: 191: 191: 191: 191: 191: 191: 191: 1	Such the E 100 lay Lim Case Close   Such Sec   100 law   100 law
	591, 304, PSviNA2.92 87 10 382 334, 331, 331, 331, 331, 331, 331, 331,	16" <sub>1</sub> 12" <sub>6</sub> SiriBcp.80 52 15 562 153 <sub>6</sub> 15 151 <sub>4</sub> 15 565 <sub>6</sub> 411 <sub>2</sub> StertDgt.52 26 19 4030 581 <sub>6</sub> 571 <sub>6</sub> 577 <sub>8</sub> -1 <sub>4</sub> 455 <sub>7</sub> 375 <sub>6</sub> Sterul 1:20 28 14 594 437 <sub>6</sub> 435 <sub>6</sub> 435 <sub>6</sub> -1 <sub>4</sub> 315 <sub>6</sub> 255 <sub>6</sub> Steveltrat.68 5,22900 116 28 259 <sub>6</sub> 29 +1 <sub>4</sub>	37 27% YanDm15 3.9 13 82 28% 28% 28% 28% 28% 28% 28% 4 1% YanDm15 3.9 13 82 28% 28% 28% 28% 28% 28% 28% 28% 28%	Stock Sales High Law Less Clong   Stock Sales High Low Less Chang   Stock Sales High Low Less Chang   Stock Sales High Low Last Chang   Stock
	25  25  25  25  25  25  25  25  25  25	124	3	
	//// process	Special Subsci	·	COMBs 62 1176 2116 2116 2116 1 5 EmyTri 677 28 271, 28 + 12 Interest 338 13 1678 1234 1 4 Neutrops 54 54 4813 4814 1 5 EmyTri 677 28 271, 28 + 12 Interest 338 13 1678 1234 1 4 Neutrops 54 54 4813 4814 1 5 Interest 338 13 1334 1 4 Neutrops 54 54 4813 4814 1 5 Interest 338 13 1334 1 4 Neutrops 54 54 4813 4814 1 5 Interest 338 13 1334 1 4 Neutrops 54 54 4813 4814 1 5 Interest 338 13 1334 1 4 Neutrops 54 54 4813 4814 1 5 Interest 338 13 1334 1 4 Neutrops 54 54 4813 4814 1 5 Interest 338 13 134 1 4 Neutrops 54 54 4813 4814 1 5 Interest 338 13 134 1 4 Neutrops 54 54 4813 4814 1 5 Interest 338 13 134 1 4 Neutrops 54 54 4813 4814 1 5 Interest 338 13 1678 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	BERGEN OSLO STAVANGER	of the FINANCIAL TIM OSEO STAVANCE You can obtain your subscription copy of the Fin to your office in the centre of the cities ind K. Mikael Henio Financial Times Scandina 44 Østergadde DK-1000 Copenhagen Denmark Tel-(1)134441	Y SERVICE  1ES now available in  R & BERGEN  Percial Times personally hand-delivered	Cadma 36 635 154 147 15 15 Excelled 29 157 154 147 15 15 Excelled 29 157 154 147 15 15 Excelled 29 157 154 147 154 154 154 154 154 154 154 154 154 154



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# **CURRENCIES, MONEY & CAPITAL MARKETS**

#### FOREIGN EXCHANGES

# Sterling still left out in the cold

THE IDEA that foreign investors when the damage had already would fall over themselves to buy sterling after the general election remains just an idea. If a currency is expected to do something, then sterling after the general election remains just an idea. If a currency is expected to do something, then that should be sufficient warning for most that it probably will not. Participation from overseas has not materialised in the way that not so logical post election euphoria once insisted it should have done. Whether this is because investors from Japan for instance are just providing suffi-

because investors from Japan for instance are just providing sufficient rope so that they can move in at a lower level is debateable.

Looking at the performance of sterling since before the election, it is evident that most of the carefully laid predictions have been upset by a temporary bout of demand for the dollar. The pound hardly moved against its EMS partners until Friday afternoon

1.6290-1.6300 0.24-0.23 pm 0.70-0.67 pm 2.10-2.00 pm

0.700075 113517 1.51988 14.5688 43.0117 7.80431 2.07509 2.33766 6.93023 1500.13 164.430 7.63403 143.713 7.21402 1.72576 1.55.019 0.774861

-21.2 -4.9 -11.1 +10.2 -4.4 +3.4 +21.5 +22.3 +14.3 -18.2 +64.2

Italian Lire ... B. Fr. (Fig.) "

£ IN NEW YORK

STERLING INDEX

pm pm pm

**CURRENCY RATES** 

Special Brawning Rights

2,3433

23433 NYA 7.8299 N/A 185.79 N/A

72.5 102.2 77.4 137.6 99.9 92.9 146.5 171.9 134.8 71.4 47.2 220.5

Morgan Guaranty changes: average 1980-1982-100. Bank of England Index (Base average

OTHER CURRENCIES

**CURRENCY MOVEMENTS** 

am .....

Last week's conomic statistics Last week's conomic statistics provided a further psychological blow but at the same time virtually ruled out an early cut in clearing bank base rates. But money supply aside, the record fall in unemployment and pace of economic growth may just yet see a revival in sterling's fortunes.

EMS EUROPEAN CURRENCY UNIT RATES

42,4582 7.85212 2.05853 6.90403 2.31943 0.768411 1483.58

1. 12.61

2.996 1.205

**EURO-CURRENCY INTEREST RATES** 

814-814 614-63 8-814 512-512 912-314 912-914 614-614 912-914 912-914 912-914 912-914

POUND SPOT-FORWARD AGAINST THE POUND

DOLLAR SPOT-FORWARD AGAINST THE DOLLAR

81-84 61-61 8-84 52-52 32-33 75-74 9-11 64-61 64-64 94-95 4-2

1.6140-1.6365 21623-21905 3322-3353; 61.16-61.77 11.092-11.204; 1.1080-1.1170

295-298 228.85-232.28 204.45-206.40 21324,-21564<sub>2</sub> 10.854-10.954

9.854-9.954 10.284-10.374 2334-2364 20.75-20.91 2.45-2.474

Beigian rate is for convertible francs. Finan 1.37 c pm. 12-month 2.50-2.30c pm.

Changes are for Ecu, therefore pos Adversement calculated by Financial **EXCHANGE CROSS RATES** 

0.300 0.485 0.468 0.756

43.0117 7.80431 2.07509 6.93023 2.33766 0.774861 1500.13

YEN F Fr. S Fr.

237.5 10. 95.52 4.021

C \$ 0.462 0.746 1.365 108.2 4.557 1.133 1.537 996.8 1. B Fr. 1.633 2.638 4.829 382.9 16.12 4.000 5.437 3491. 3.537

8%9 7-7% 8%82 5%-5% 4%-4% 3%-3% 8%-6% 6%-6

Long-term Eurodollars: Two years 8-8-4 per cent; three years 84-84 per cent; four years 812-84 per cent; five years — per cent nominal. Short-term rates are call for US Dollars and Japanese Yes; others, two days' notice

0.888 70.42 2.965 1.383 109.7 4.618

9.873 2.455 6.110 1.520

3.338 0.830 42.10 10.47

2.487 1

0.737 1.148

3.330 2.061

1.126 14.20

1. 1.558

9494 74-74 83-82 54-54 444 35-34 84-84 94-104 64-67 312-4 94-44 44-44

| Control | Cont

92.92 74.72 82.83 52.52 32.32 82.83 82.85 103.7 65.7 32.42 96.95 42.45

94-92 74-74 84-9 52-52 31-42 34-32 84-9 10-104 7-7-9 64-7-4 94-104 45-44

+1.30 -0.61 +0.80 +0.38 +0.79 +0.84 +1.12

six months.

While money supply figures

are currently capable of altering sentiment, the other key economic statistic at the moment, is due for release on Thursday. UK trade figures delivered a pleasant surprise last time through a current account sur-

tunes.
Early on Friday the pound showed some signs of recovery but Thursday's money supply figures, seen in a bad light, effectively reversed the trend.
While bank lending was a little higher than expected, the series of figures was erratic according to stockbrokers

± 1.5344 ± 1.6404 ± 1.0981 ± 1.3674 ± 1.5012 ± 1.6684 ± 4.0752

H.FL. Lina CS B.Fr.

722.9 0.733 9117. 9.239

2138. 2167 61.25 1323. 1.341 37.90

642.0 0.651 18.39 1000. 1.013 28.65

Morgan Grenfell are suggesting a f517m visible shortfall but a current account surplus of £117m, indicating a small upward revision in invisibles.

The dollar's rise was started off attempt to move firmer because the dollar sory found resistance.

by the release last Friday week of the dollar soon found resistance US trade and inflation figures which the market interpreted as being mildly bullish. There were also various comments by Japanese officials claiming that

relatively narrow range.

Currently no one is too sure about whether the dollar has actually bottomed out while on the economic front there is little to suggest that the ills a lower dollar was supposed to alleviate have yet been cured. The compromise, a dollar moving within a relatively narrow range, will be relatively narrow range, will be novel and for speculators will be uncomfortable to live with.

EFFE US TREASURY BOND FUTURES OPTIONS
Surfice Calls—Last Puts—Last
Price Sent Dec Sent Dec
84 8.39 8.01 0.07 0.29
86 6.49 6.24 0.17 0.52
88 5.04 4.58 0.36 1.22
90 3.38 3.42 1.06 2.06
92 2.17 2.40 1.49 3.04
94 1.20 1.52 2.52 4.16
96 0.46 1.13 4.14 5.41
96 0.23 0.49 5.55 7.13
Estamated wakene rotal, Calls 176 Pats 72
Previous day's open Int: Calls 1539 Pots 546 | Carrier | Carr | Liffe Links GRLY FUTURES OFTHOMS | Strike | Calls—Last | Puts—Last | Prics—Last |

Calib - List
Ass. Sep. Dec.
— 16.95 11.95 11.95
11.95 11.95 12.95
125 170 3.08
0.33 0.61 1.68
0.05 0.18 0.85
ac total, Calis 10 Pots 0
upon int, Calis 659 Pats 17 Puts—Last Aug. Sept. — 0.04 0.08 0.24 0.51 0.94 1.90 2.59 4.80 5.49 8.88 9.40 13.61 13.97 0.02 0.22 0.77 3.77 8.28 13.24

Last Sept. 2.80 3.90 5.90 ---9.45 11.55 13.85 July 1.10 2.50 4.20 6.05 8.45 10.75 13.25 12.75 14.95

LONDON CHICAGO

20-YEAR 12% NOTIONAL SILT ESO,000 32mis of 100% | Close High Lsw | Lsw |

Low THREE-MONTH STERLING £500,800 paints of 190% Close High 90.88 91.10 90.85 91.04 90.75 90.96 90.63 90.80 90.50 — Low 90.79 90.78 90.74 90.80 Pres. 91.13 91.09 91.02 90.86 90.70 Close High Law
90.89 91.10 90.79 9
Dec. 90.85 91.04 90.78 9
Ritar. 90.75 90.96 90.74 9
June 90.63 90.80 90.80 9
Sept. 90.50 90.80 90.80 9
Sept. 90.50 90.80 90.80 9
Sept. 10,614 (7,144)
Previous day's open int. 16,847 (16,300)

FT-SE 100 INDEX £25 per tall index point June 28.20 High Low Prev. 230.75 Sept. 233.40 255.40 231.50 235.80 Dec. 237.90 237.50 237.50 Estimated volume 2,670 (2,412) Previous day's open int. 7,929 (7,539)

200 0.66 3.60 -2.32 -0.44 -1.47 -6.68 -4.77 -1.23 -0.02 5.163 -1.47 THREE-MONTH EURODGLIAR \$100 points of 100% Close High Low
L 92.55 92.56 92.48 92.16 92.05 92.05 92.05 91.99
L 91.66 — — 9
L 91.68 — — 9
L 91.52 — — 9
Install volume 5,878 (4.496) store day's open inc. 24,687 (24,167) Sept. Dec., Marck June Sept., Dec., Mar., Estiru Previo 1108.000 12nds of 180% cial franc 61.35-61.45. Six-month forward dollar 1.47-

Close High Low 93-09 93-09 93-09 92-16 92-17 91-23 91-18 -- --Jame 93-09 9 **CURRENCY FUTURES** POUND-S (FOREIGN EXCHANGE) Spot 1-min, 3-min, 6-min, 12-min, 16160 16136 16079 16018 15920 MIN-STERLING So per £ Close High Low Prev 16040 1.6155 1.6025 1.6225 1.5965 1.6070 1.5950 1.6165 1.5925 1.5980 1.5900 1.6125

LIFFE-STERLING £25,000 S per £

Close High Low
Sept. 1,6121 1,6201 1,6092
Dec. 1,6010 — —
Estimated volume 160 (2)
Previous day's open int 837 (839)

| 1.410-1.6365 | 1.6155-1.6165 | 0.26-0.23c pm | 1.82 | 0.84-0.78 pm | 1.4625-1.4706 | 1.4625-1.4635 | 0.41-0.36c pm | 3.15 | 1.20-1.08 pm | † UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 37.95-38.05 Correction for June 19 UK close 1.6290-1.6300

#### LONDON SE C/S OPTION £12,500 (cents per £1) Sept. 150 050 100 195 435 670 Strike Price 1.45 1.50 1.55 1.60 1.60 1.70 1.75 Last 5ept. 12.70 16.60 9.65 5.95 3.25 1.50 0.85 Pats-Aug. 0.35 0.85 2.20 4.95 9.85 Calls... Aug. Dec. July 12.90 — 16.60 0.35 9.55 0.35 6.40 1.20 5.95 3.90 3.90 8.30 2.50 11.40 Dec. 2.70 1.15 1.60 4.15 6.50 9.60 13.25 Strike Price 91.50 91.75 92.00 92.25 92.75 Nav. 0.91 0.75 0.60 0.47 0.36 0.27 Sept. 0.02 0.05 0.09 0.15 0.24 0.37 Hi<del>gh</del> 0.6969 0.7023

High 93.23 92.24 91.26 90.30 90.03 89.12 86.24 88.07 93.03 92.01 91.04 90.11 89.19 68.29 88.14 87.29 93.20 92.19 91.21 90.26 90.01 89.11 88.23 88.06 Low Prev. 0.6942 0.6957 0.7002 0.7017 — 0.7081 — 0.7150 87.10 86.31 87.06 86.27 \$2m points of 190% Low 92.49 92.20 91.97 91.79 91.63 91.47 91.32 91.18 Prev. 93.92 93.63 93.44 93.24 93.07 92.90 92.73 Close 92.57 92.28 92.06 91.87 91.71 91.55 91.40 91.26 High 99.95 93.67 93.46 93.25 — 92.76 1387 93.58 93.38 93.38 93.21

Application has been stude to the Council of The Stock Exchange for all the Ordinary Shares of 12 bp each of Westwood Dawes PLC both issued and proposed to be issued pursuant to the proposed acquisition of Hugh 1. O'Neall Co. Limited and the proposed rights issue of 2.855,000 Ordinary Shares of 12 bp each to be admitted to the Official List. **WESTWOOD DAWES PLC** Acquisition of Hugh J. O'Neill Co. Limited
Open Offer to Shareholders of 3,508,750 new Ordinary Shares of
12½p each at 20p per share
Rights issue of 2,855,000 new Ordinary Shares of
12½p each at 20p per share

Copies of Listing Particulars and Supplementary Listing Particulars relating to the Ordinary Shares of 12 to peach to be issued pursuant to the rights issue, and to be issued as consideration for the proposed acquisition of Hugh J. O'Neill Co. Limited are available in the statistical services of Easte Financial Limited. The rights issue and acquisition of Hugh J. O'Neill Co. Limited were approved by shareholders of Westwood Dawes PLC at an Extraordinary General Meeting originally convened for 1st June, 1987 and adjourned until 17th June, 1987.

General Meeting originally convened for 1st June, 1987 and adjourned until 17th June, 1987.

On 6th April, 1987 the existing Ordinary Shartes of 12½ p were suspended at the request pending completion of the acquisition of Hugh J. O Neith Co. Limited and the arrangements for the rights issue. It is expected that dealings in the existing Ordinary Shartes of 12½ p will recommence and dealings in the Ordinary Shartes of 12½ p to be issued pursuant to the acquisition (other than the Ordinary Shartes offered to shareholders under the open offer ("the Offer Shartes")) and rights issue int paid will commence un 25th June, 1987. Dealings in the Offer Shartes are expected to commence on 20th July, 1987. Sm June, 1987. Desirings in the Onterest Supplementary Listing Particulars are available for collection only from the Company Announcements Office. The Stock Exchange, collection only from the Company Announcements Office. The Stock Exchange, throughout the Stock Exchange of Throgmorton Street, London EC2P 2BT until 24th June, 1987 and may be obtained during usual business hours on any michading 6th July. 1987 from:

Manchester Exchange Trust Limited, Pembroke House, 40 City Road, Landon ECIY 2AX

Westwood Dawes PLC. Bowling Green Road, Stourbridge, West Midlands, DY8 3TU

Issued and to be issued. fully paid £1,945,625

vay & Co. Stockbrokers Limited 94-96 Newball Street Birmingham B3 1PE

Dated 22nd June, 1987

The Republic of Italy U.S.\$500,000,000 Floating Rate Notes due 2000

In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from 19 June, 1987 to 21 December, 1987 the Notes will carry an interest rate of 7.3125% per annum. The interest payable on the relevant interest payment date, 21 December, 1987 will be US\$375.78 per US\$10,000 Note and US\$9,394.53 per US\$250,000 Note.

Istituto Bancario San Paolo di Torino, London 22 June, 1987

#### **MONEY MARKETS**

US Dollar 1.6160 1.6136 1.6079 1.6038 1.5920 D-mark 2.9575 2.9451 2.9178 2.8815 2.8117 French Fr. 9.8725 9.8669 9.8528 9.8459 9.8407

**FORWARD RATES AGAINST STERLING** 

### Post election blues sets in

higher sterling has, at least for the first week been solved the answer being neither. Thursday's bank lending provided the ideal excuse to sell gilts, boost cash

UK clearing bank base lending rate 9 per cent since May 8

rates and have a swipe at sterling.
It is hard to imagine all this played all the hall marks of a emanating from one set of figures, jumble sale in January, has

FT LONDON INTERBANK FIXING

(TLOO a.m. June 19) 3 months U.S. dollars 6 months U.S. dollars bid 7 ½ offer 7 ½ bid 7 ½ offer 7 ½ The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for \$10m quoted by the market to five reference banks at \$11.00 a.m. each working day. The banks are National Westmanster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Bank, Banque Nationale Calenta Test.

BANK OF ENGLAND TREASURY BILL TENDER June 19 June 12 | 1900m | Top accepted sists of discount | 8,723% | 8,4431% | 11,000m | Auerage rate of discount | 8,6232% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,953% | 8,

		23%		<u>i                                      </u>	<u> </u>
WEEKLY CHAN	GE IN	WORLD	INTEREST RATI	S	
LONDON	June 19	Change	NEW YORK	June 19	change
Base rates	87	Unch'd -i <sub>2</sub> +i <sub>3</sub> +0.2299 Unch'd Unch'd	Prime rates Federal Funds 3 Mgt. Treasury Bills 6 Mgt. Treasury Bills 3 Mgt. CO FRANKFURT	84 65 5.81 6.18 6.94	Uacifd Uacifd +0.09 +0.03 -0.01
Bard 4 Bills	813	 +5 +4 +1 <sub>2</sub>	Lombard	5.0 3.65 3.675	Unch'd +0.35 +0.05
One rough Bulls Three month Bibls ERUSSELS	3.59375 3.71875	-0.0625 +0.0625	Intervention Rate One muh.Interback Three month MILAN	74, 84 84	18 18
One month	9# 9#	-1 <sub>0</sub> -1 <sub>0</sub>	One month	114	+l <sub>4</sub> +l <sub>2</sub>
Sing month	54 54	<b>*</b> 2	One month	10½ 104	S <sub>B</sub>

and "son—band 1 bills mature in up to 14 days, band 2 bills 15 to 33 days, band 3 bills 34 to 63 days, and 4 bills 64 to 91 days. Rates quoted represent Bank of England buying or setting rates with a market. In other centres rates are generally deposit rates in the domestic money market in the respective changes during the week.

THE IMMEDIATE post election question about the choice between lower interest rates or Others will add that with the

economy expanding in some quar-ters, the authorities are not likely to rush into any additional cuts in base rates. Strange words like overheating and inflation are premature but have been heard on more than one occasion over the

MONEY RATES

• •	NEW YORK (4pm) Prime rate Broker loan rate Fed. funds at intervention	. 84, Th . 8 Sa . 65, Os	re month re month re month re year ry year		N/A Three N/A Foury 1.82 Five y 1.19 Seven 1.68 10 year	Bonds	7.8 7.8 8.1 8.3
	June 19	Overnight	One Month	Tero Months	Three Months	Six Months	Londurd Intervention
-	Frankfurt	3.25-3.35 7.2-7.2 3-14 54-52 3.09375 103-114 8.05 94-10	9.55-3.65 8.1-8.1 41-41 5.1-5.2 3.59375 107-111 61-61 107-102	8181	84-84 4-44 53-52 3.71875 105-114 68-612	360-3.75 8½-8½ — — — — — — 20½-10%	\$0 74   
	June 19	Over- night	7 days	Month	Three Months	Six Months	One Year
	Interbank Strring CDs. Local Authority Deposit Local Authority Bonds Discoent Malet Deposit Company Deposits Finance House Deposits Treasury 881s (Buy) Bank 847s (Buy) Dollar CDs SDR Linked Deposits ECU Linked Deposits	9,8%	87:89: 85: 	9-813 84-813 84-9 814-9-814 814-814 814-9-10-7-05 614-614	94-6% 811-812 834 812 812 813 813 813 814 7.15-7.00 64-53 64-65	92-9 92-9 9 9 9- 9- 813-9 54-6 613-613	912-914 913-914 914 914 914 

appear that sentiment was becom-ing just a little too frothy and that interest rates last thing on Friday were nearer than they have been recently to levels that would have prevailed, had an election not been called.

So where has all the bullish tone from two weeks ago disap-peared to. With hindsight it would

upward shift by the dollar has shown just how sensitive the mar-

A few believe that further cuts in rales this summer are achiev-able. Again much will depend on the performance of sterling and last week's relatively modest

Treasury Bills (sell); one-month 8 is per cent; three-months 8 is per cent; Bank Bills (sell); one-month 8 is per cent; three-months 8 is per cent; bree months 8 is per cent; three months 8 is per cent; threat is the cent of the cent

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américain sur le revenu et de
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No. 30,266

**EUROPE'S BUSINESS NEWSPAPER** Tuesday June 23 1987

D 8523 A

#### World news

### Iran sets up missile threat to Kuwait

The missiles, with a range of flotation last September. Page 25 about 50 miles, pose a threat to Kuwait and its oil installations which would be well within their range.

#### **Beirut battles**

Street battles erupted in Beirut's southern suburbs where some of the 29 foreigners missing in Lebanon are believed held by kidnapon moderately heavy volume.

#### Kohi veto

Chancellor Helmut Kohl vetoed the extradition to the US of a Lebanese hijack suspect whose friends are holding two West Germans hostage in Beirut.

#### **Bonn criticised**

East Germany attacked West Germany's decision to keep 72 Pershing 1-A missiles out of a US-Soviet arms deal, accusing Bonn of wanting to maintain the threat they posed to Eastern Europe.

#### Italian strikes loom

Italian union officials warned of forthcoming strikes by rail workers and airline pilots. Petrol pump attendants were also considering a 48-hour strike and workers on ferries linking Italy to Sardina were already on a four-day strike.

#### Nato membership

President Kenan Evren said Turkey might review its Nato membership in light of a European Parliament resolution recognising Armenian claims of genocide against

#### Fiji emergency

Fiji's interim government will commandeer about 100 Indian-owned trucks - under an emergency decree - in an effort to get the coun-

#### Gurkha peace offer

Militant Gurkhas fired at police and set fire to a municipal building near Darjeeling but offered to call off their violent campaign for state-hood in north-east India if police released one of their leaders.

#### Jobs protest

Thousands of West German steel workers staged demonstrations in several industrial centres to protest against big lay-offs in the Ruhr re-

#### N-weapon 'essential'

Libyan leader Muammar Gadaffi said the Arabs should have a nuclear bomb to gain the respect it gave China. He said the bomb was essential as a defensive weapon and Arab states should be prepared to use it if their existence was

#### AIDS test developed

A Swedish research team said it had developed a new AIDS test which was 100 per cent reliable and could eventually lead to discovery of an anti-AIDS vaccine.

#### New Contra base

US backed Nicaraguan rebels had set up a base in the eastern jungles of Hondoras and about 400 com-

mandos were being trained there, a newspaper in Tegucigalpa reported. Fred Astaire dies

Fred Astaire, whose dancing style made him a legend on the screen, died in hospital aged 88.

#### Straw sausages

A Danish company has developed a way of processing the country's sur-plus straw by feeding it to humans as healthy stuffing for sausages

## Business summary TSB buys life group for £220m agreed bid

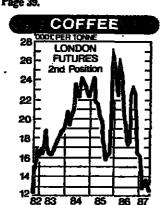
Iran began deploying Chinese supplied Silkworm missiles on the Fao peninsula at the northern end of the Gulf, Western officials in Kunning Silkworm officials in Kunning Silkworm missiles on the Fao peninsula at the northern end of the Gulf, Western officials in Kunning Silkworm missiles on the Fao peninsula at the northern end of the Silkworm missiles on the Fao peninsula at the northern end of the silkworm missiles on the Fao peninsula at the northern end of the silkworm missiles on the Fao peninsula at the northern end of the silkworm missiles on the Fao peninsula at the northern end of the silkworm missiles on the Fao peninsula at the northern end of the silkworm missiles on the Fao peninsula at the northern end of the silkworm missiles on the Fao peninsula at the northern end of the Silkworm missiles on the Fao peninsula at the northern end of the Silkworm missiles on the Fao peninsula at the northern end of the Silkworm missiles on the Fao peninsula at the northern end of the Silkworm missiles on the Fao peninsula at the northern end of the Silkworm missiles on the Silkworm sition since its £1.5bn stockmarket

> MOBIL OIL AG, West German sub sidiary of Mobil of the US, forecast lower profits for 1987 after earnings last year fell DM 230m (\$127m)

> from DM 352m in 1985. WALL STREET share prices closed at record levels for the fifth session in a row. The Dow Jones Industrial

DOLLAR rose in London to DM 18400 (DM 1.8295); to Y145.80 (Y145.05); to SFr 1.5290 (SFr 1.5200); and to FFr 6.1350 (FFr 6.11). On Bank of England figures the dol-

lar's exchange rate index rose 0.3 to 102.5. Page 39 STERLING fell in London to \$1.5945 (\$1.6160); to DM 2.9350 (DM 2.9575); to Y232.50 (Y234.5); to SFr 2.4375 (SFr 2.4550); and to FFr 9.7825 (FFr 9.8725). The pound's exchange rate index fell to 71.8 (72.2).



COFFEE prices on the London for ture's market resumed their downward course. September coffee ended at £1.242.50 a tonne - down £14 on the day. Commodities, Page 34. TOKYO: Small-lot selling of a range of stocks, some high-technology is-sues excepted, led share prices into their third biggest ever daily fall. The Nikkei average lost 647.77 to

24,640.35. Page 46 LONDON: Nervousness over the direction of interest rates and fears of a rise in inflation sent equity prices sharply lower. The FT-SE 100 index fell 21.5 to 2,244.6 and the FT Ordinary index lost 21.3 to 1,737.0.De-

tails, Page 42 GOLD fell on the London bullion market to close at \$438.00 (\$449.50). It also fell in Zurich to \$438.75

(\$448.85). Page 38 MOUILINEX, troubled French kit chen equipment producer, has revised its forecasts for this year's results downwards to a loss of FFr

41.7m, after earlier predicting that it would break even. Page 25 AIRLINES: SAS, Lufthansa, Air

France and Iberia agreed to set up a joint computerised distribution system in Europe. Page 2 NEGOTIATIONS are in the final

stages between Bank Nagara, Malaysian central bank, and the Sabah government on a rescue package for the state-owned Sabah Bank.

HUNGARIANS are preparing for fiscal upheaval as the country pre-pares to introduce value-added-tax and other Western-style taxation.

SPORTS TOTO, Malaysian government-controlled lottery organisation, is to gain a listing on the Kua-

la Lumpur Stock Exchange, with a public offer of 5.25m shares. AMERICAN BRANDS, diversified tobacco, liquor and consumer products company, is buying Acco World Corp, leading supplier of office products, in a merger worth \$602m, or \$29 per Acco share. Page 25

JAPANESE securities houses are seeking to impose a set of limitations on the proposed over-the-counter sales of government bonds by life insurance companies.

#### BY PAUL CHEESERIGHT IN LONDON

PEARSON, owner of the Financial Times, has sold Bracken House, the newspaper's London headquarters,

to Ohbayashi Corporation, the Japanese construction group, for £143m (\$233m) cash. Ohbayashi's purchase of one of the most prestigious sites in the City of London is part of the build-

up of sterling property assets by major Japanese groups.

The build-up is part of a broader property offensive by the Japanese which, so far, has concentrated on the Pacific Basin and on the US where, last year alone, the Japa-nese spent about \$4bn. This year US property purchases by Japan are likely to exceed \$6bn.

The spending surge is a result of dollar and sterling assets for the Japanese whose trade surplus helped make them the world's biggest

net creditor in 1985.

sent, this must be one of the biggest. The cost would be \$70.7m.

C3.5bn. The purchase of Bracken House is its first major British ven-

The price paid by Ohbayashi es-tablishes a new level for spiralling Pearson has spasmodically been find a suitable design until it re-tablishes a new level for spiralling the subject of takeover speculation.

property values in the City of Lon- The group will use net gains from ion. the sale to finance further expan-It is believed to be the biggest slon. Indeed, yesterday, its US arm single Japanese property invest-ment in the UK. Further, "in terms share for the 34.6 per cent of the eq-of a property offering development uity in Camco, a US oil services potential without a planning con-company, it does not already own.

deals the City has ever seen," said Mr Michael Stephens of St Quentin, the surveyors advising Pearson.

The contract between Pearson and Ohbayashi is conditional on the early redemption of Pearson first. early redemption of Pearson first Ohbayashi is one of the six Japanese construction companies with an annual turnover of more than the grown expects the sale to be the group expects the sale to be completed within a month.

Pearson had rejected the possibil-The prospect of a fresh cash infusion immediately lifted the share in favour of redevelopment at a cost price of Pearson, which closed 8p of about 640m and had been runhigher at 670p in London yesterday. ning an architectural competition to

Ohbayashi and three other contenders for the site.

The Financial Times has a lease on the building until the end of 1989, and can remain in it rent-free until the end of 1988. The company is launching a search for new premises either in the City or as near to it as possible. It is in the middle of a £70m development programme involving a new printing works in London Docklands, outside the centre of London, and the introduction of computer technology.

Ohbayashi is expected to continue where Pearson left off and seek planning consent to redevelop Bracken House for a financial insti-

Ian Rodger reports from Tokyo: Ohbayashi-Gumi, one of the top five civil engineering group in Japan, is a typical Osaka-based company ~ very conservative. The Japanese have an expression for companies



Even when they see a bridge mad of stone, they tap it first with a stick to make sure that it is safe." Ohbayashi should know. It is

ompany that builds bridges. The company is not known as a property developer. In the year to March, 1986, property operations accounted for only 4 per cent of

Analysis, Page 9

# South Korean leader concedes meeting with opposition chief

BY MAGGIE FORD IN SEOUL

strongly - expressed wish for demo-

Responding to the pleas of his ruling Democratic Justice Party, he agreed on an unprecedented meeting with Mr Kim Young Sam, one of the country's two main opposition The beleaguered President was

apparently persuaded to relent on his hard line stance by Mr Roh Tae Woo, deputy leader of the party, who has distanced himself from the president since the demonstrations Mr Roh presented a package of

measures to Mr Chun including an immediate return to attempts to revise the constitution, a referendum if the attempts fail and the release The package appeared to meet the minimum demands of the oppo-

Korean leaders about their views. Chun to moderate his stance yesterday by the US Govenment. Mr Harry Dunlop, deputy chief at the Seoul embassy, visited Mr Kim Dae Jung, port machine. South Korea's other main opposi-

tion leader, at his home.

PRESIDENT Chun Doo Hwan, the South Korean ruler who has faced rest since April 10, just before the South Korean troops for the security of the country, yesterday prohis government, yesterday offered about a return to democracy be vided comfort for those South Korean troops for the security of the country, yesterday prohis government. his first concession to the people's tween the parties. This decision is reans who fear that disruption in at the root of the people's protest. the south will encourage invasion The release of Mr Kim and a num- by the Communist North. ber of other senior opposition fig-ures is one of Mr Kim Young Sam's preconditions for talks with the

> Dr Gaston Sigur, US Undersecre-Pacific, was expected to arrive in Seoul today for consultations. Dr Sigur repeated Washington's calls for highly competent, professional and restraint and dialogue on US televidevoted to the defence of the counsion on Sunday.

> South Koreans reacted positively to President Chun's move yesterday to President Chun's move yesterday that elements in the military might and demonstrations subsided in attempt to oust President Chun, a most parts of the country.

ing the death of one of their numleaders negotiated the safe conduct Further pressure was put on Mr dreds of thousands of people over the past 11 days. Two students hit by tear gas canisters are seriously injured, one surviving on a life sup-General William Livsey, retiring

commander of the US Eighth Army

He told a news conference that although it was clear North Korea was watching the situation in the South with great interest, there had been no unusual military activity tary of State for East Asia and the since the demonstrations began. He stressed that the combined army of

Concern remains in South Kores most parts of the country.

In Pusan, where rioting has been strongly dealt with by police follow-through a military coup in 1979.

Analysts believed yesterday that providing President Chun proceeded in a sincere manner, the crihome without arrest of about 250 sis in the country had a good sition. A full reply is expected later this week after Mr Chun has consulted a number of respected South striction. A full reply is expected later this week after Mr Chun has consulted a number of respected South striction. The positive headquarters. The positive momentum towards democracy the momentum towards democracy. the momentum towards democracy ty in demonstrations involving hunthe Government has closed the universities early for the summer holidays, students were reported to be still attending and ready for further action if required.

Editorial Comment, Page 22

# **EC** ministers put off talks on cash crisis

BY WILLIAM DAWKINS IN LUXEMBOURG

ty's financial crisis at next week's perennial financial problems - bur-summit of European government geoning farm spending and inadesummit of European government

A preparatory meeting for what looks set to one of the most troubled EC summits of recent years left member states as divided as ever over how to deal with the Community's growing financial crisis.

The session coincided with yesterday's visit to Madrid by Mr Wilfried Martens, the Belgian Prime Minister, on the first leg of a tour of the Community's capitals intended to lobby government leaders to sink some of their differences ahead of next week's summit.

However, yesterday's gathering did agree that the summit should avoid any attempt next week to make headway on the details of how to plug the Ecu 5bn (\$5.67bn) to fats to help plug some of this year's Ecu 6bn (\$6.81bn) deficit in the curbudget deficit. rent year's budget and member states inability to set this season's

Instead, foreign ministers began to draw up an agenda that would set only the most general outlines on how member states should make decide on extra contributions.

again, informally, over the weekend overspending and set to try to move further towards recoff budget discipline.

EC FOREIGN ministers last night onciling their differences. But EC abandoned any attempt to try to officials doubted that any solutions tackle the details of the Community's quate resources - would be in sight for at least another six months, when Denmark will have taken over the chair of the Council of Ministers from Belgium,

> There is a general convergance of view that next week is not going to be the time for making dec on the short term," said Sir Geoffrey Howe, the British Foreign Sec-

The most the summit should try to do would be to set a framework for decisions on budget reform for the next six months, though it was inevitable that some questions of detail would come up, such as the European Commission's controversial proposal for a tax on oils and

problems of most immediate urgen- tion of the fact that "expenditure must follow available resources and not the other way round."

Britain, supported to different degrees by West Germany, the Netherlands and Denmark, is refusing progress on the longer-term prob- to make any extra contributions to ms of continued depletion of the filling this year's budget deficit - or budget and their own inability to in the longer term paying more for social and regional policies - until Foreign ministers will meet the EC puts a brake on agricultural ending and sets up a system

# FT's landmark headquarters sold to Japanese group Bank forum calls for changes in debt strategy

By Lionel Barber in Washington

A FORUM for some of the world's leading commercial banks yester day issued a strong plea for change in the international debt strategy.

The Institute of International Finance said that it was vital for the International Monetary Fund to roll over existing loans to debtor countries and to raise net lending for countries which meet the conditions of IMF support

It also called in a report for closer and earlier consultation between the IMF, commercial banks, the Pa-ris Club of sovereign lenders, deb-tors, and the World Bank, both on broad policies and on dealing with individual countries.

The report says that the debt strategy developed since 1982 and amended by Mr James Baker, US Treasury Secretary, in October 1985 remains basically valid."

But in a tepid endorsement, it ment over a period of almost five years has led to dissatisfaction with both the process and the outcome of corrent procedures."

The institute - which appeared to be taking a low profile in the debate on how to tackle debt crises - ap-pointed an 11-member debt task force in late 1986. It said the report represented a consensus among its 180 members, which include Na-tional Westminster Bank, Citicorp, Dresdner Bank, Chase Manhattar and the Bank of Tokyo.

Among its other recommenda-

 ♠ A strong leadership role by the
 World Bank - a big challenge for Mr Barber Conable, the bank president, who faces unrest and dissatisfaction among many of his staff following the reorganisation this year. The institute also believes a capital increase is urgent. Broadening the "menu" of specif-

ic bank facilities such as medium-Sir Geoffrey admitted to being financing by the World Bank and the commercial sector. "Banks expect to develop these options with debtor countries and official international lenders ...", says the report. • Greater involvement by private sector banks in advising debtors on risk management, promoting debt to equity conversions, and in at-

tracting new sources of funds. Restoring market access, new di-rections in bank lending. Institute of International Finance Inc, 2000 Pennsylvania Avenue, Washington DC 20006.

# Senior Saatchi executive quits after agencies network shake-up

BY DAVID CHURCHILL AND FEONA MCEWAN IN LONDON

lost one of its key UK executives, Mr Jack Rubins, following the restructuring of its international net-

work of agencies. Mr Rubins, who was chairman of the Dorland advertising agency, left the company suddenly yesterday. In a statement last night Saatchi said that Mr Rubins had retired to become a consultant to the group's

communications division. est advertising agency. Its major tions, which was accounts include Austin Rover and York yesterday.

paign and the difficulties with some US clients when it took over the Ted Bates advertising agency last

THE SAATCHI and Saatchi world- alysts and major corporate clients wide advertising group yesterday as one of the lynch-pins in building

up Dorland into the cornerstone of Saatchi's secondary global network. His sudden departure from Dor-land could lead to some clients reconsidering their use of the agency.

The Saatchi and Saatchi Company share price closed last night in London at 637p, down 11p on the

Mr Rubins is understood to have decided to leave Dorland following Dorland was acquired by Saatchi the long-awaited re-structuring of in 1981 and is the UK's second-larg- the Saatchi international operations, which was announced in New

Last year Dorland had acquired Mr Rubins departure is the latest the New York-based Dancer Fitzupheaval to rock the Saatchi empire. It follows recent criticism of \$75m deal. This gave Dorland an inits handling of the British Conserternational network which it saw as vative party's recent election cam- crucial in servicing major multinational clients. Saatchi already had one interna-

tional network, called Saatchi and Saatchi Compton Worldwide. Mr Rubins, aged 55, had been with Dorland for almost 49 years and was seen by City of London an-will merge to form a US-only agen-

Compton with billings of \$2.3bn.

The international network of both agencies will be called Saztchi and Saztchi Advertising Workiwide and will have billings of over \$4bn. In the UK, Saatchi said that Dor-

land would become an independent agency "but having access to the Bates network for its clients." Mr Michael Bungay, Dorland's chief executive, is to take over as chairman from Mr Rubins, Mr Bun-

gay said that "Jack's decision to re-tire was amicable, and he will be-come a consultant to the Saatchi communications division." Mr Rubins was not available for

comment last night. Saatchi yesterday won an apology and an out-of-court settlement believed to be a nominal £1,000 (\$1,600), in its libel action against the BBC. Saatchi had issued a writ over a Panorama programme about Saatchi's role in the British general election campaign.

Men & Matters, Page 22

# Two year performance to 1st June

Truet	Percentage increase in value	Position in sector
Japan	+127.9	<b>21st</b>
Pacific	+115.0	14th
Worldwide Recovery	+114.0	4th
European	+108.5	llth
Income & Growth	+93.8	6th
UK	+92.5	43rd
International	+83.6	17th
PRACTICAL	+76.9	1ST
High Income	+64.5	14th
American	+18.7	31st

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**POLITICAL** REALITIES DIVIDED ISLAND

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THE West German tax cuts and local authorities. planned for next year and 1990 to stimulate the economy could cause financial problems for the public sector, if spending growth is not reined back sharply, the Bundesbank

The tax-cutting package, with DM 14bn (£4.7bn) due in 1988, is seen by both the Bonn Government and the Bundesbank as a key West German contribution to improving growth, though other countries—notably the US—have pressed

has said they should be delayed so as to limit the drop in tax

benefited in the first quarter While spending with from the 5 per cent rise in ahead, however, revespending by Federal, regional up only slightly.

But since revenues rose only slightly, because of the weak economy, their deficits expanded sharply. Even if spending in 1987 slows down later, "a considerable increase in the total deficits must be reclosed.

"a considerable increase in the state deficits must be reckoned with," it added.

The Bundesbank estimated that these could move up to around DM 50bm from last year's DM 42.5bm and DM 40bm in 1985. A further increase was likely in 1988. This year, no tax cuts have occurred, the first stage in the present gradual reduction taking place in 1986.

In the first quarter of 1987, the deficit of the Federal Government was fust over DM 11bn, some DM 550m higher than a year ago. The deficit of the Laender (regional states) was DM 1.5bn higher at more than DM 4bn, while the local authority deficit was fairly steady at around DM 2bn. fairly steady at around DM 2bn. Regional state spending grew fastest in the first three months, at 6.5 per cent. While spending was sharply

### Stoltenberg advocates debt for equity swaps

BY DAVID LASCELLES IN HAMBURG

MR GERHARD STOLTEN- 100 largest banks explored BERG, the West German possibilities for new types of finance minister, urged the property to bankers vesterday part of the billions of dollars. world's top bankers yesterday to give greater consideration to to give greater consideration to swapping more of their Third World loans into equity invest-ments to help ease the debt crisis, but added that the lending countries should take steps to halt capital flight and create better conditions for invest-

He also told the international monetary conference in Ham-burg that the lending nations should make further efforts to ease regulations so that hanks could write down their loans and increase their loss

reserves.

At the conference yesterday Brazil is due to present this the chairmen of the world's plan next month.

#### **Paris backs** ioint force with West Germany

By George Graham in Paris

FRENCH political leaders have given cautious approval to proposals from West Germany's Chanceller Helmut Kohl for a joint military unit drawn from the two countries, despite criticism yesterday from hardline Gaullists.

President Mitterrand said he approved of Mr Kohl's suggestion, which he saw as carrying out the provisions of the Franco-German Elysée treaty of 1963, but ruled out any possibility of France rejoining the full command structure of the North Atlantic Treaty Organisation.

He said the unit could form the "embryo of a European defence structure."

Both Mr Andre Giraud,
Defence Minister in the rightwing government of Mr
Jacques Chirac, and Mr
Laurent Fabius, the former
socialist Prime Minister, also
backed the proposals for a
joint force of brigade strength.

Mr Giraud said the force could take the form of an air-borne unit with mixed helicopter squadrons, or a motorised brigade with its own artillery.

But the keenest supporters of the policies of Gen Charles

of the policies of Gen Charles de Gaulle, who took France out of the joint Nato command in 1966, have roundly attacked the proposal.

Mr Michel Debre, who was Prime Minister under Gen de Gaulle, said Chancellor Kohl was "treating serious subjects with a lack of gravity which pains and outrages me." which pains and outrages me."
Mr Debre said the plan
would indirectly bring about
the rejutegration of French troops under US command, which is anathema to sup-porters of the Gaullist tradition.

The creation of a joint

Although bankers still believe that the possibilities for debt-equity swaps are still limited they said that future financing for third world countries would have to be tied Franco-German unit appears to be fraught with practical difficulties, since all German forces are subordinated to the Nato command structure, while since France's withdrawal from Nato foreign military installations have been harred from French soil. But the proposal could help to move the way for a help to pave the way for a redefinition of France's rela-tionship with Nato,

# EC ministers in crucial air reform talks

Most participants and observers in Brussels agree that the stakes are imprecedentedly high, but that the outcome of the meeting is impossible to pre-let. Whatever happens this week, they say, it is likely to affect the pace and extent of air liberalisation over the next two is three years. two is three years.

package of the Belgian Presilency—a set of measures which

troversy but which everyone agrees are less far reaching than those originally put satisfies the arms of the last few months.

The proposals fall into three parts but in essence the nego-

nervousness and uncertainty of first time airline passengers yesterday as they prepared for tomorrow's crucial talks on air transport reform.

Most participants and observers in Brussels agree that the stakes are unprecedentedly high, but that the outcome of the meeting is impossible to prevaled. Whatever have to prevaled to the four most conservative discount fares, to prevent air discount fares, to competition on new and estab-lished routes. It is this last question

usually referred to as market access which continues to On the table for EC Transport Ministers in Luxembourg will be the latest compromise member states which has made

on an established route), more flights between the large so-called "hub" airports and regional airports, and the rights to "fifth freedom," that is the ability of an airline to take off in one country, set down and pick up passengers at an "intermediate" destination and carry on to a third.

Detailed proposals have been European Commission — which has to decide whether to exempt Governments and airlines from the competition rules is assumed in Brussels that Eritain is unlikely to be sympathetic to any demand to change the status of the alrport and that any flexibility will have to come from the other side.

A special meeting of Commissioners called for today was cancelled last night after senior Gibraltar's opposition Socialists

political agreement on the issue of airline competition so elusive over the last few months.

The proposals fall into three parts but in essence the nego-

to region rules.

to region rules.
Tomorrow's meeting, however, could founder on the opposition of more "liberal" member states such as the Netherlands to what many consider to be an ineffective and badly watered down package. In badly watered down package. In this respect the attitude of the European Commission — which

EC OFFICIALS and diplomats forward by the European Comwere displaying all the mission more than a year ago.
They include plans to intromervousness and uncertainty of They include plans to intro-

Commission officials yesterday also expressed concern about Spain's move last week to raise the issue of Gibraltar — a Category 3 British airport and as such one that could be en-compassed by the hub to region provisions for more cheap flights and thereby challenge

An indication of the passions cancelled last night after senior Commission advisers appeared to have settled their final negotiating positions. But tensions inside the Commission—notably between the Transport Commissioner Mr Stanley

An indication of the passions aroused came last night when Gibraltar's opposition Socialists and Labour Party amounced that it had written a letter to the governor asking him to urge the British Government to stand firm on the airport issue.

# Four European airlines agree joint computer system

BY SARA WEBB IN STOCKHOLM

in Europe.

The new system—called Amadeus—is expected to start Amadeus—is expected to start hire, hotels and even theatre running by mid-1989 and will tickets.

cost \$300m to set up and develop. The initial investment tion system, we can secure the

war-time past.

about the airlines and their related services, including car

barred Dr Waldheim from

entering the US because of the

allegations about his war time

Dr Waldheim has been

placed on the US watch-list of

undesirable aliens because of

suspicions that he may have

been involved in Nazi atrocities in the Balkans during World

War Two. He has repeatedly denied the charges which until now remain unproven, but the controversy has damaged his

standing and Austria's reputa-

tion internationally.

activities.

FOUR OF the leading European airlines—Scandinavian
Airlines, System Luftbansa, Air
France, and Iberia—have
agreed to set up a joint computerised distribution system
in Europe.

Includes a deal with IBM distribution of our own products instead of paying to use
someone else's system," said a
someone else's system," said a
someone else's system," said a
someone else's system, airlines.

The system would provide customers such as travel agents with more detailed information
about American Airlines' dismarket as more of the domestic apont their tribution system which two travel agents and own and operate Amadeus
carries information about other
airlines.

While the four airlines would
own and operate Amadeus
carries information about other
through a holding company
based in Madrid, they want to
encourage as many of the other
customers such as travel agents about American Airlines' dismarket as more of the domestic
about American Airlines' dismarket as more of the domestic
about American Airlines' market as more of the domestic
about American Airlines.

based in Madrid, they want to encourage as many of the other tougher competition in its home about American Airlines' distribution system which two years ago accounted for 33 percent of the airline's profit but only 8 per cent of turnover.

SAS already has its own distribution system which goes to based in Madrid, they want to encourage as many of the other European and overseas airlines as possible to participate. Other travel agents are starting to use it information systems only 8 per cent of turnover.

SAS already has its own distribution system which goes to Express.

#### Soviet prime minister set to meet Waldheim

BY PATRICK BLUM IN VIENNA

MR NIKOLAI RYZHKOV, the tween neutral Austria and the Soviet Prime Minister, will US administration which has visit Austria next month and harred Dr Waldheim from meet Dr Kurt Waldheim, the Austrian President who has been at the centre of an international controversy over his

The Soviet Prime Minister is the highest ranking foreign government representative to visit Dr Waldheim since his election just over a year ago and the meeting will end a period of embarrassing diplo-matic isolation for the Austrian

It also comes at a time of increasing estrangement be-

16th June, 1987

#### Ombudsman to quit in Sweden

By Kevin Done in Stockholm MR PER-ERIK NILSSON is to

resign as Sweden's chief par-liamentary omsbudsman, one of His future as chairman of the judicial commission of inquiry into the assassination of former Prime Minister Mr Olof Palme has also been thrown into doubt.

### Political leaders to march over Barcelona bomb

BY DAVID WHITE IN MADRID

AS CIVIC and political leaders remained on the critical list in Barcelona prepared to head a yesterday, threatening to the country's most prestigious in Barcelona prepared to head a yesterday, threatening offices, following allegations protest march last night in increase the death toll of 17. about his conduct in the post. the incident.

Neither the police nor the Mr Sten Wickbom, the country's Justice Minister, indicated yesterday that Mr Nilsson's resignation as chief evacuating shoppers before the party broke with past combustance could also many the store management—locked in an argument about who should laigoras, made a weak bid to have been responsible for save appearances for ETA, after the party broke with past to combustance could also many the strange of the party broke with past to condemn the strangement—locked in an one of its leaders, Mr Jon argument about who should laigures, made a weak bid to save appearances for ETA, after the police nor the store management—locked in an one of its leaders, Mr Jon argument about who should laigures, made a weak bid to save appearances for ETA, after the police nor the store management—locked in an one of its leaders, Mr Jon argument about who should laigures, made a weak bid to save appearances for ETA, after the police nor the store management—locked in an one of its leaders, Mr Jon argument about who should laigures, made a weak bid to save appearances for ETA, after the police nor the store management about who should laigures, made a weak bid to save appearances for ETA, after the police nor the store management about who should laigures, made a weak bid to save appearances for ETA, after the police nor the store management about who should laigures are the police nor the store management about the store management are the police nor the store management are the store management are the store management ar

The Herri Batasuna (People's ing in a hypermarket last Unity), the radical Basque Friday, it became clear that coalition linked to ETA, nobody has emerged well from the incident. the deaths.

Nilsson's resignation as chief ombudsman could also mean his removal from the commission.

The commission is now finalising its inquiry into the chaotic first 12 months of the police investigation

Take Deen responsible for the save appearances for ETA, after the party broke with past terms of reference, the Basque extremist movement responsible for the chaotic first 12 months of the police investigation

The commission is now finalising its inquiry into the chaotic first 12 months of the police investigation

The commission is now finalising its inquiry into the chaotic first 12 months of the party broke with past the party broke wit

Protest has been invited, despite misgivings, Margie Lindsay writes

# Hungary pushes on with N-power

plant at Paks, about 80 miles from Budapest, has no need of high-security fencing or armed guards. Hungarians in general are in favour of nuclear energy, even after the Chernobyl disaster. In fact, the Government is pushing ahead with its nuclear power programme, despite some misgivings over safety standards.

Nuclear power in Hungary does not exact the same sort of public opposition as in the West. Public protests against nuclear development in Hungary have so far been muted. The "green movement" has been mainly concerned with the building of a dam on the Danube River.

nred stations, not an increase in nuclear power.

Nevertheless, the Government is determined to build more nuclear power stations.

Most of the plant, worth about (£18.7m-£25m).

Most of the computer equipment and software is Soviet-Five to seven reactors of 1,000 megawatt each are to be built bave in Hungary in the next few and

At present, all of Hungary's nuclear production is located at Paks, previously a quiet farm-ing village, now a nuclear boom town. on the banks of the Danube. All the reactors are of Soviet design, but are not graphic moderator reactors like those at Chernobyl. Called VVERs the units are similar to pressurised water reactors in

the West.

Three 440 mw reactors are already in operation at Paks. A fourth 440 mw unit is under construction and showld be connected to the grid in September, with commercial construction. commercial operation

FINANCIAL TIMES

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ON a quiet, tree-lined country starting by the end of 1987. The now being installed. Units no "accidents." Last year, there road stands Hungary's nuclear Hungarians want to build two power complex. The four-unit more units of 1,000 mw each Hungarian-designed computer automatic shutdowns—on Unit

at Paks, with construction scheduled to start in 1989.

Although the plant is designed by the Soviet Union, with most of the equipment supplied by East European rangeral designed computer systems.

At present, the computer operations of Unit One are mixed. The reason for the change-over was an attempt to supplied by East European increase safety margins and to

Despite old-fashioned technology, having the Soviet Union as designer and contractor does have its advantages. Under the agreement, Moscow supplies fuel and reprocesses it, leaving Hungary only to worry about disposal of nuclear waste. And Hungary is proud of its safety record. Last year,

there were only two automatic shutdowns.

increasing the role of nuclear increasing the role of nuclear equipment. The most energy comes from within the come from the come from the heavy-industry lobby, of which levest, says Mr Gabor Vamos logy, having the Soviet Union the coal mining sector is a operations supervisor of the strong voice, wants more coal-fired stations, not an increase 10 per cent of the total equip-

anube River. countries, the Soviet specifimake analysis of the plant—

Most of the opposition to cations allow for purchases of during normal operations or

as designer and contractor does have its advantages. Under the agreement, the Soviet Union supplies fuel and reprocesses spent fuel for the next 30 years, leaving the Hungarians ment and software is Sovietmade. But the Hungarians
have developed subsystems
and program which are safety record. There have been

One and two on Unit Two. The trips were caused by equipment malfunctions and, according to Mr Vamos, were not serious. Monitoring of radiation levels is carried out by the plant as well as independently by the Hungarian health authorities. There are permanent monitor-ing stations within a three mile radius of the plant, with other monitoring stations situated at a maximum 30 miles away. Despite the advantages of

nuclear energy to Hungary, however, there is some official opposition to increasing role of nuclear energy in electricity production. The coal lobby has recently submitted a report to the Government trying to prove that coal-fired stations would be

that coal-fired stations would be cheaper for Hungary than expansion of nuclear energy. Whether opposition to the extension of this type of energy will grow in Hungary, or on its borders, is difficult to judge at present. Regardless of the problems and cost the Government present. Regardless of the prob-lems and cost, the Government appears committed to extending in Hungary's nuclear energy Last year, nuclear stations supplied just over 22 per cent of electricity. This is planned to rise dramatically for the years after 2010.

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EXERCISE OF "WARRANT" VALID FOR THE PURCHASE

OF SAVINGS SHARES OF SIP - Società per l'Esercizio delle Telecomunicazioni p.a.

In July 1987

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According to the terms of the offer stated in the information memorandum published in the filing of Sep-tember 5th, 1985, under n. 179 of the CONSOB Prospectus File. holders of SIP ordinary shares with warrant attached may apply for cash purchase from STET of the same number of SIP savings shares, qualified for dividend from the 1st of January 1987 at a unit price of its 2568 without any fees or expenses, except for sales tax according to Italian regulations.

The purchase applications must be addressed. Italy:

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Io any other duly-authorized department, as well as to Monte Titoli S.p.A., for the shares managed by it; Banca Commerciale Italiana - 42, Gresham Street Banco di Roma - 14/18, Eastcheap Credito Italiano - 17, Moorgate Banca Commerciale Italiana - One William Street Banco di Roma - 100, Wall Street Credito Italiano - 375, Park Avenue New York:. Banca Nazionale del Lavoro - 26, Avenue des Chemps Elysées — Paris: Istituto Bancarto S. Pagio di Torino - Schillerstrasse, 26

warned yesterday.

The Bundesbank's warning is in line with the Government's own anxiety that even pushing the agreed tax cuts through will be hard. Mr Lothar Spaeth, Prime Minister of the wealthy state of Baden-Wuerttemberg.

The central bank said in its monthly report that the domestic economy, which has icked up after the cold winter,

of additional loss reserves established by the US banks. Mr John McGillicuddy, the chairman of Manufacturers Hanover, described bankers' feelings as "generally upbeat."

more closely to income-generating projects.

They hoped that Brazil's new financial plan, when completed, might contain more opportuni-



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#### **EUROPEAN NEWS**

# Poland's central bank urges tough economic reform

present investment programmes with a view to cuts, elimination

of inefficient producers and price increases on scarce goods such as cars and petrol to achieve a balance between supply and demand.

It looks to Western govern-ments and bankers to ease

repayments conditions on Poland's \$35bn debt and to pro-

vide new credits to boost exports. The NPB also envisages the decentralisation of the banking system next year

with new banks set up to deal

with companies on a commercial

The ultimate aim is to achieve

convertibility for the zloty but

meanwhile the plan suggests

that Poles should be able to

buy foreign currency at free

market rates and that currency held by Poles could in effect be sold to the banks at the

same price at present over three times the official exchange

President Ronald Reagan

ciple during a summit in Ice-land last year to cut strategic,

or intercontinental, arsenals by

50 per cent. Each side has some 10,500 nuclear warheads on

Bonn rocket dispute delays

pact on arms, US confirms

THE chief US arms negotiator, response to its draft treaty on Mr Max Kampelman, said yesterday a dispute over 72 West day a dispute over 72 West presented in early May.

German rockets was delaying "We would very much like

German rockets was delaying an arms control pact with the Soviet Union, Renter reports from Geneva.

The solution of the solut

from Geneva.

"It serves obviously to delay matters," he said, adding that Moscow had raised the issue Strategic Arms Acquector Ours has been in for six weeks now and we want to start with the 50 per cent reductions," he said.

The 72 Pershing-la rockets and Mr Mikhail Gorbachev, the belong to West Germany, but their nuclear warheads are conciple during a summit in Ice-

A CONTROVERSIAL plan to strengthen the Polish zloty to go through with its prothrough a series of economic gramme would lead either to a gramme would either to a gramme wo through a series of economic reforms prepared by Potand's Central Bank is urging tight control over money supply in a bid to bring down inflation, now tion" of the retail market. The plan calls for a review of running at 18 per cent, to single figures within two years.

The as yet unpublished report admits that controlling the present high growth of nominal incomes will be the most difficult part of the plan which seeks to improve efficiency but also envisages clashes with powerful industrial and political lobbies. Professor Wladyslaw Baka, the bank's chairman, has already won the approval of the Communist Party Polithuro for the plan but has yet to gain the endorsement of the Government. The as yet unpublished report

The programme envisages tough credit conditions for com-panies and warns that this could cause social tension inside enterprises and on a wider scale. "We must, however, undertake the risk and go through such a phase," it argues. This approach is in contrast to present policy which seek to minimalise industrial unreet by conceding wage demands and as a result tolerating unplanned

only recently.

trolled by the US.

Moscow has said the warheads

would have to be removed from Europe under an arms control

pact on medium and shorterrange missiles being negotiated

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braced for tax upheaval By Leslie Colitt in Budapest

HUNGARIANS are bracing themselves for a fiscal upheaval as the Communist leadership prepares to introduce VAT and other Western-style taxation for the first time in Eastern process of accelerated inflation Europe. which is already beginning or price controls and a "destruc-

The central tax office is to open its doors on July 1 in Budapest while hundreds of tax inspectors are being trained and a powerful new computer to process tax forms has been purchased with the help of funds from the World Bank. VAT and personal taxes for

Hungarians

wage earners will be accom-panied by the lowering of cor-porate taxes in order to reward efficient companies. Companies which previously paid a 55 per cent tax on earnings will pay some 40 per cent.

The gap in revenue is to be made up by reducing subsidies to both producers and con-sumers. As elsewhere in Eastern Europe the Hungarian Government receives most of its revenue from company taxes while individuals pay little or

no tax. Understandably ordinary Hungarians and the nation's many inefficient companies are less than enthusiastic about the government's fiscal plans.

Mr Miklos Pulai, Deputy Chairman of the National Planning Office, who is in Planning Office, who is in charge of the tax programme, explained that VAT and the simultaneous elimination of most consumer goods subsidies would result in a 5 per cent "overnight" price increase. This plus other price rises would mean a record consumer price increase of more than 10 price increase of more than 10 per cent next year against an expected 7 per cent this year. "We will be crossing the Hungarian psychological border," he noted drily in an interview.

Some senior party officials are concerned that taxation coming on top of declining real income in recent years — could lead to a backlash from the population. But government officials say the political leadership under Mr Janos Kadar is determined to press forward.

Mr Pulai said there has been these weapons.

Mr Kampelman was speaking at the US diplomatic mission Mr Kampelman also noted while awaiting chief Soviet that the US was waiting for a negotiator Mr Yuly Vorontsov.

# Turkish massacre lifts toll to over 600

It is still not clear what the ARGK is. Some observers speculated that it might be a break-away faction of the better

which 31 villagers, including 16 children, were gunned down by a Kurdish separatist group calling itself the ARGK or Peoples' Army for the Liberation of Kurdistan.

The Turkish press and public opinion responded with anger and incomprehension to the news of the massacre at Pinarcik in Mardin province pear the Turkish Syrian border.

It is still not clear what the separatist group reached over 600. There have have been targetted on village have been lost. At Pinarcik, the ARGK distributed leaflets calling on all government, whom it described os urgents and militias to surrender.

The death toll in the guermajority of non-military attacks have been targetted on village have been targetted on village have been lost. At Pinarcik, the ARGK distributed leaflets calling on all government, whom it described as "agents" and "militias" to surrender.

President Kenan Evren and Prime Minister, Mr Turgut Ozal, both issued statements

876 taken prisoner.
As far as can be judged the attacks have had two main pur-poses: to demonstrate that the Turkish Government is inknown and equally violent PKK capable of maintaining control

became known, pledging to continue to harry the rebels until they were totally crushed.

This no longer looks like an tion passed by the European the Katyn forest killings.

central government, but at least until recently separatist movements have had only a

minority following among them. Yesterday's raid may have been intended to commemorate

TURKEY'S MINISTER of the which has been responsible for Interior, Mr Yildirim Akbulut, most of the armed attacks in yesterday toured the scene of south eastern Turkey in the last weekend's massacre in 34 months.

The death toll in the guerachildren, were gunned down by a Kurdish separatist group reached over 600. There have a kurdish separatist group reached over 600. There have have been targetted on village the ARGK on the separatist group reached over 600. There have have been targetted on village the ARGK on the separatist group reached over 600. There have have been targetted on village the ARGK on the separatist group reached over 600. There have have been targetted on village to the ARGK on the separatist group reached over 600. There have have a separatist group reached over 600. There have have a separatist group reached over 600. There have have a separatist group recently separatist group recently separatist existence of a Kurdish problem. pariament on Friday with the massacre. The resolution which was aimed a getting Turkey to recognise its alleged responsibility for the Armenian diaspora after 1815 accused Turkey of not recognising the existence of a Kurdish problem.

Several papers yesterday ran banner headlines calling on the European Parliament to be ashamed of itself, while one President Kenan Evren and Prime Minister, Mr Turgut Ozal, both issued statements when news of the massacre became known pledging to come than may be immediately assumed of itself, while one paper, the conservative daily Tercuman, published a front Turkish history. It also has more international ramifications than may be immediately ment had as much blame for the Pinarcik deaths as the Nazis

# Denktash learns to read his enemy

Larry Klinger meets Turkish Cypriot leader Rauf Denktash in northern Nicosia

FOR Mr Rauf Denktash, the 63-year-old veteran leader of the Turkish Cypriots and long-time political duellist with Archibishop Makarios, the late Cyprus President, the Turkish mainland troops stationed in the north of the island since their 1974 invasion are the real peace

keepers. Without them, Mr Denktash and the majority of his 150,000 compatriots who elected him president of the unilaterally declared Turkish Republic of Northern Cyprus are convinced that they would by now either have been killed or forced to leave an island nation dominated by the Greek mainland. Indeed, whatever the cost of the invasion, the effective as part of the Greek nation.

partitioning of the island has Mr Denktash is criticised,

meant at least that interevel among Turkish-Cypriot communal murdering has been stopped for the past 13 years.

Mr Denktash and I met at the beautiful former residence of the British colonial Nicosia

ne speaks with the precision one would expect from his law training at Lincoln's Inn.

London, mixed with a softness nurtured alongside his least training along trainin



words never lack the edge that there are about 2,000 Greek portrays what he views as the mainland troops thought to be

even among Turkish-Cypriot politicians for his consistently unbending language towards leaders on "the other side." Close colleagues however, maintain that it is unreasonable to district commissioner, which think that he should temper now serves as his presidential remarks based on years of palace, a far cry from the small indignity suffered at the hands southwestern village of Ktima. of Greek-Cypriot ministers and where he was been

Mr Pulai said there has been no decision yet on income tax progression but that it would probably start at 20 per cent and run up to 60 per cent.

London, mixed with a softness Cyprus is not entirely conducive UN and may well be again if the nurtured alongside his long-to prolonged relaxation. In Greek Cypriots press their case addition to the more than in New York later this year. As people, keen gardener, photographer and cook. But his estimated to be in the north, recognised only by Turkey.

out to his people over past decades by Greek Cypriots bent on the island's full unification as part of the Greek nation.

Mr Denktash is contact the Greek nation. 24 hours, probably more than 5,000 troops on Britain's sovereign bases and 2,400 United Nations soldlers sup-

> landers, who invaded at Mr
> Denktash's request under
> Turkey's guarantor powers, subsequently occupied more than a
> third of the island to protect
> around a fifth of the population
> and whose presence has since the graph of the population
> and whose presence has since the graph of the population insist that Turkish troops must
> be suffered to send the Turkish
> troops away while these people
> are the Government of Cyprus?
> Telling us that Cyprus is Greek?
> It's impossible. So when they
> around a fifth of the population
> insist that Turkish troops must
> be suffered to send the Turkish
> troops away while these people
> are the Government of Cyprus? and whose presence has since been twice condemned by the

Many non-Cypriot observers elieve that the Turkish Many non-Cypriot observers; believe that the Turkish military presence almost guarantees lack of agreement to the bizonal federation proposed by UN Secretary-General Perez de Cuellar and accepted in principle by Mr Denktash. The dilemma, they believe, is that the north cany only feel segme principle by Mr Denktash. The dilemma, they believe, is that the north cany only feel secure the north cany only feel secure the dispute to disrupt the North cough to negotiate while the Atlantic Treaty Organisation. troops remain and the south, still fearing further Turkish military ambitions, can only feel able to negotiate when the troops have gone.

Mr Denktash says that he left the troops issue to "the judge," meaning the Secretary-General. "The judge said: 'Isn't this a good thing. As you talk about the constitution, land and other matters, you also talk about a programme of withdrawal of the troops, not only Turks but Greeks . . . and you prepare a timetable. As that moment we have a transitional govern-ment set up, jointly.'
"We said, alright, this is

fair. The Greek Cypriots said, alright, this is fair, until the moment when (the Premier of United Nations soldiers supposedly separating the lot.

The most contentious of these forces are the Turkish main-leaders when the Turkish main-leaders when the Turkish the second of the s

US Government was hostage to. .rests on partnership."

its Greek lobby; Britain was

I put it to Mr Denktash that there are increasingly voiced suspicions that he and Turkey might also prefer the status que: the consolidation of a non-Greek state along the Turkish coast with a new deep-water harbour, a new military air-port and a local economy which is slowly improving.

"You must accept that, sincerely, we want a settlement on this problem, and we feel sincerely that it can be settled if the Greek Cypriots abandon the idea that they are the govern-ment of the whole of Cyprus." he replied.

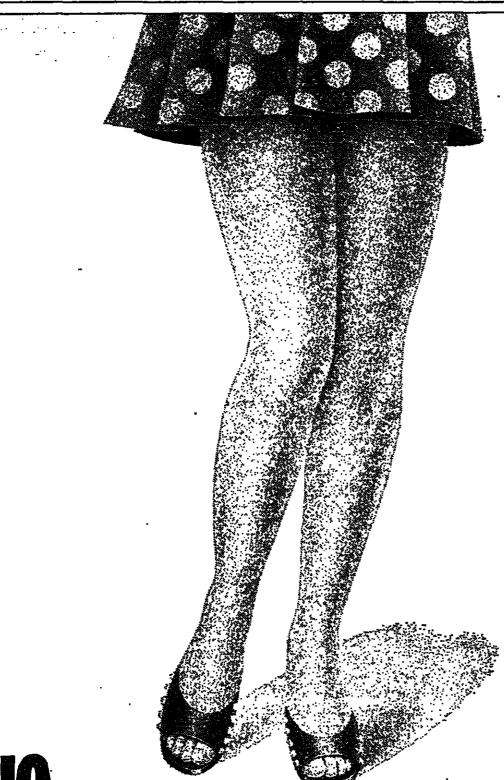
Finally I asked whether there was still enough trust remaining in Cyprus that the one side could even believe what

the other said.
Yes, he said, even today on certain issues, with certain leaders. "But." he said, "with Kyprianou, whatever we said we would do, even after a sig-nature. he always found a

Telling us that Cyprus is Greek and they will make it Greek? It's impossible. So when they insist that Turkish troops must be out first, it is because they don't want a settlement. They prefer the status quo."

Moreover, he said, international conditions militated for retention of the status quo: the ItS Covernment was bestage to rests on partnership."

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information transmitting microchips, from aerospace and automotives to VCR s. By constantly expanding its range of expertise, Daewoo has reached the point that no manufacturing or technological challenge is too large or sophisticated for it to handle. Why not let all Daewoo has already done, help with all you've yet to do.

BY NORA BOUSTANY IN BEIRUT

INTENSE SYRIAN efforts to secure and considered Ali Osseiran, 40, his the release of US newsman Mr Charles Glass, kidnapped with the son of Lebanon's Defence Minister coincided with an outbreak of hostilities between Shia factions in the

Heavy fighting trapped residents of the mainly Shia shims on Beirut's southern fringes in their homes, as members of the Baalbek Mikdad clan battled with gunmen of the mainstream Shia Amal

Amal officials refused to link the violence in Bir al-Abed, Rweiss an Monawad, with Syrian warnings to the pro-Iranian Hizbollah to free Mr Glass, Mr Ali Osseiran, the son of Lebanon's Defence Minister and their driver, abducted south of Beirut last Wednesday.

The Shia Amal movement is Syrextradition request. Yesterday it is sclosest ally in Lebanon. Mr Na- was not clear what bearing - if any hih Berri, Amal chief and Shia minister, returned to Beirut from Damaskus over the weekend to take part in the drive to secure freedomfor the 36-year-old American journalists he was pro-nalist and his companions.

The chief of Syrian military intel- 48 hours or else other methods will ligence in Lebanon, Brig Ghazi be used, following a meeting be-Kanaan, met with Sheikh Mo- tween the Shia leader and Brig hammed Hussein Fadlallah on Sun- Kanaan. Mr Berri added that they day and told him that President Ha- had discussed "conditions in the fez Assad of Syria looked upon the southern suburbs, especially after affair with great personal interest the kidnapping."

## Accord to limit **Soviet** influence

AUSTRALIA and the US said yes

port for the effort to limit Soviet in

terday that they were co-operating to limit Soviet influence in the South Pacific, but disagreed sharp-ly over French nuclear testing in The Mikdad clan has links with the region, AP reports from Sydney.
The US endorsed the tests, but the pro-Iranian Hizbollah (Party of God) which wants the release of Ali the Australians said the explosion Hamedi - brother of a senior Hizcreated animosity toward the West. pollah official - who is facing trial Australia also warned that US in Frankfurt on charges of possess-ing explosives, hijacking a Trans World Airlines flight to Beirut in trade policies could undermine sup

fluence in the South Pacific. 1985 and killing a US navy diver on The views were expressed in pub lic comments by the US and Aus tralian foreign and defence minis-ters before and after their annual Yesterday, Mr Helmut Kohl, the West German Chancellor, vetoed a US request for his extradition, a demeeting on defence and economic

> Both sides agreed that the Soviets have increased their efforts to win friends in the region by trying to buy fishing rights from island na-

> Mr Caspar Weinberger, US De-fence Secretary, said the Soviets have increased their forces in the Pacific at a faster rate than in any other part of the world.

Mr Bill Hayden, Australian for-eign minister, said the Soviets – who have gained shore access by signing a fishing agreement with the island of Vanuatu – show "evidence that when they get on the ground they engage in other activi-ties that are unrelated to commer-

#### **BHP** welcomes oil deregulation

ian energy steel and mining group, welcomed the Government's decision to deregulate crude oil marketing, Reuter reports from Mel-

The Government said yesterday it would free crude oil marketing from January 1, thus ending its normal bi-monthly setting of the Import Parity Price and the requirement for refiners to take a set alloestion of local crude.

The decision removes one of the uncertainties affecting oil exploration and is a step towards placing the Australian industry on an equal understood to have attended the session and appear to have suppany said.

# Andrew Whitley in Jerusalem reports on the influx of US sportsmen

# Imports boost Israel's sporting stakes

WHEN ISRAEL play India in the whelming that the announcement quarter final of the Davis Cup next of the then Prime Minister Mr Yitzsports team will have been permit-passed almost unnoticed. ted to play on Indian soil. "We're on the map," sh

Sport, like everything else in Is-rael, is inextricably intertwined ish immigrant who captained the with politics. And international team, in a phrase that has gone sport is for Israelis all about the re- down into sporting history. Correcognition of the Jewish state as an spondingly, when the Israeli chamequal member of the community of pions were narrowly beaten last nations.

April in the finals of the European

of its leading role in the Non-found. Aligned Movement has consistently Mac cold-shouldered Israel, to host an popularity of the game, has resulted Israeli team was a sweet diplomatic directly from the US professional istry in Jerusalem.

the only major team game in which not match. In the European Cup fi-Israeli teams have been able to nals, Maccabi Tel Aviv had five USovercome the sporting quarantine born players - the maximum perinto which the country is normally mitted is two foreign citizens and

The deep-seating craving for in-squad. ternational applause and success is Ever so strong that basketball is now the ketball team has its "Americans", ers are organized in a phenomenal 1,430 basketball teams.

Through one team in particular, Maccabi Tel Aviv, national champi-

ago and went to win the European fringe benefits such as a car, flat Cup for the first time, the nationand return air tickets thrown in, is wide explosion of joy was so over-typical for foreign players.

month, for the first time an Israeli hak Rabin, that he was resigning

We're on the map," shouted Mr To compel India, which because championship, the gloom was pro-

Maccabi's success, and the rise in breakthrough for the Foreign Min-basketball players they and other local teams have imported over the Soccer should be the most popu- past decade, to provide the brawn lar sport in Israel. But basketball is and height the smaller Israelis canthree naturalized Israelis - in their

Every major league Israeli baslargest organized sport in Israel. In most of them blacks. Usually numa country of barely 4m, 32,000 play- bering two or three, Elitzor Natanya, an aggressive newcomer to the Israeli first division, can field six. They usually come to Israel as raw college sports graduates lookons with monotonous regularity for ing for experience, or else out of the past 18 years, Israelis have sa- frustration at not having made the voured the pride of seeing their side on the winner's rostrum.

When Maccabi Tel Aviv beat the standards, is good: \$50,000 to Russian Red Army squad 10 years \$80,000 for a six-month season, with

son, formerly of the New Jersey Nets and considered one of the world's top players, may sign up for an obscure Israeli team because they have been banned by the NBA in the US after a drug conviction and need a temporary "parking" or-

Drugs are not unknown in Israeli basketball either. Aulcie Perry, the US-born player who pioneered the Israeli connection 10 years ago, is currently in jail in New York on a

heroin smuggling charge.
According to the basketball federation, there are about 40 registered foreign players in Israel. But there are dozens more who have changed their nationality. Israeli or American passport holders, they can often be seen loping together along the Tel Aviv Seafront, head and shoulders above astonished local pass-

Most stay for a few seasons before moving on. But for those who do decide to make their careers in Israel, getting round the numerical restriction is not over-arduous.

Foreigners who are not Jewish can become Israelis - and thus qualify instantly as local players in one of a number of ways. Marriage to an Israeli was until recently one easy way of earning the right to citizenship, though this could not be done in Israel, where the Rabbinate rule the roost in all aspects of per-sonal law with an inflexible hand. The answer was a spate of "quick-

ie" marriages in nearby Cyprus, arranged by less-than-scrupulous basketball teams eager for a share of are genuine observant Jews.

A few, like Michael Ray Richard- Maccabi Tel Aviv's glory. Then the Interior Ministry began to crack

> The other backdoor entry route used by a number of well known sportsmen - including Peter Lori-mer, formerly of Leeds United, now Alon Ben-Avraham of the Hapoel Haifa footbali team - is one exclusive to Israel. If you are a Jew, Israeli citizenship is deemed auto-matic under the law of return. The perennial catch, an ever-burning political issue, is "who is a Jew?".

In a celebrated recent case, Rabbi Yitzhak Peretz, the right-wing Interior Minister, resigned rather than accept the supreme court's order that a US immigrant, Ms Shoshana fledged Jew.

Tens of thousands of Ethiopian which dramatized the length the Israeli state will go to defend Jews in trouble, are still – two years later – de rigue suffering from the orthodox Rabbi-munity. nate's refusal to accept their religious bona fides.

But when local sporting emnity with their secular rivals is involved. it seems the rabbis are prepared to waive their high criteria for Jewish

Elitzur Netanya carries the flag for religious Israelis in the field of basketball. It does not play or practice on the sabbath, nor are its members permitted to eat in nonkosher restaurants. On the other hand, none of its six "Americans"

The club forms part of the Elitzur Organisation set up in 1938 as a sports organisation (and framework for military training) for young religious-minded Jews, in head-on competition with Hapoel, the much larger, sporting branch of the Histadrut Labour Federation.

Carl Neverson, at 28 a five-year veteran of Israeli basketball, is one of the Netanya team's U.S. converts. Admitting that many of his colleagues had it much ear cash is said to work wonders in certain circles - he went through a three-month course with "a basketball rabbi" in New York before com-

ing to Israel. Like many sporting "new Jews" Miller, be registered as a fully- Neverson has yet to do his comput sory military service. Nor has he been troubled too much by his Jews, brought over in a secret airlift chub's religious affiliation. He does not wear a skullcap or the braids dangling from their belts which are de rigueur for the observant com-

This season's highest scorer in Israel has a new arrival, Ron Davis of New Orleans and Betar Tel Aviv. "Sure I'd consider converting," be said cheerfully. "It would make the team stronger, help us get more foreign players onto it."

Not everyone is so happy about the implications, as an Israeli coach explained: "It's much cheaper to buy a ready-made player. But I personally object to having so many foreigners with us. It blocks the way of our own young generation. We are cutting the branch on which we are sitting.

### Sharjah coup leader seeks control of finance and oil

BY RICHARD JOHNS Sheikh Abdul-Aziz Mohammed al-Qassir Mohammed al-Qassimi is demanding control of finance, oil and gas and internal security as a condition for his giving up his claim to the leadership of Soldie Sharjah in favour of his comman brother Sheikh Sultan whom he Aziz we attempted to depose last Wed-

nesday. He also wants an executive council and appointed

parliament to take part in governing the Emirate. governing the Emirate.

The power struggle yesterday remained unresolved despite

UAE met on Sunday night at El Ain, an oasis town in the Emirate of Abu Dhabi. Several the fact that all the Rulers of the other six member states of the United Arab Emirates decided to confirm Sheikh ported him.

bin Sultan as the legitimate leader is of Sharjah. As a compromise mee, they have proposed that Sheikh irity Abdul-Aziz be named Crown

cision bound to strain Bonn's rela-

Two West German businessmen

were kidnapped in West Beirut after Hamadi's arrest at Frankfurt

airport. It is concern about their

fate that has led to rejection of the

- the decision would have on the

fate of Mr Glass and his compan-

Sources in Mr Nabih Berri's

tions with Washington.

Soldiers of the Emiri Guard commanded by Sheikh Abdul-Aziz were reported yesterday to be digging trenches around the court building where he has established himself.

The Supreme Council of the brothers of Sheikh Sultan were

BROKEN HILL (BHP), the Austral-

# NZ tycoon offers Bavadra government-in-exile offices

BY DAI HAYWARD IN WELLINGTON MR BOB JONES, a New Zealand said before their formal meet-

posed Fijian Prime Minister, facilities to set up a govern-ment in exile in New Zealand. At the same time Prime Minister David Lange urged Dr Bavadra to "go home and help resolve Fiji's constitutional

Mr Lange said that for Dr a month ago and he would be

property millionaire, has offered ing in Wellington that the New Dr Timoci Bavadra, the Zealand Government no longer Minister or his Government Mr Jones, who has been an

outspoken critic of the military takeover in Fiji, offered Dr Bavadra office space, facilities and support for a government in exile on the 11th floor of Mr Jones's multi-storey office Bavadra to go back to Fiji would block in central Wellington.

not be acquiescing in the coup This building also houses the
which toppled his Government Fiji High Commission on the fourth floor. Mr Jones has been

#### Tokyo may cut targets for N-power By Peter Bruce in Tokyo

THE Japanese Government is to its long-term nuclear power targets by more than 40 per

cent in a massive scaling down of a programme that has already cost it more than Y100bn. The Government's Atomic Energy Commission urged in a

that total nuclear power output be cut from a projected 90m KW to 53m KW by the turn of the century.
The Cabinet is dueteo discuss

new plan presented yesterday

#### Long-serving senior army officers retired in China A BATCH of 34 senior Chinese centely commended.

army officers have been retired with the personal approval of Deng Xisoping, the supreme duce China's armed forces by leader, as part of a plan to rejuvenate the military's leader-ship, an official newspaper said highly-trained officers. yesterday, Renter reports from Peking.

All the officers held ranks Region, one of the seven subdivisions of the People's Liberation Army, the China Daily said.

The Prime Ministers of
China and Pakistan called for

ing back to the communist forces from Afghanistan and Long March (1934-35) or to Kampuchea, and for good rela-

The retirements are part of a continuing programme to re-

Hong Kong newspapers close to Peking have said 80 per cent of China's regional military leaders will have been rehigher than full army com-leaders will have been re-mander in the Peking Military placed when the process is com-

All had service records dat- the withdrawal of foreign able to use his support in work- trying to evict the High ing towards restoring constitutional government. Mr Lange the military coup.

The Caumet is defect distance of a target long March (1934-35) or to Kampuchea, and for good relative towards restoring constitutional government. Mr Lange the military coup.

#### AMERICAN NEWS

# Iran-Contra hearings approach climax

THE IRAN-CONTRA hearings of impending confrontation reopen on Capitol Hill today for what promises to be the decisive final stage in the Congressional investigation of the affair.

One the cost eight weeks

Over the next eight weeks, President Ronald Reagan's closest current and former advisers. Their testi-mony is considered critical to establishing how much he and other senior US officials knew Nicaraguan Contra rebels, and

cover-up.
The mood among committee members has stiffened in leak-proof, is starting to let out recent days, partly as a result some embarrassing disclosures. of the legal controvery sur-

Over the next eight weeks, the joint House-Senate Select ber told the Washington Post Committee will hear evidence that the admiral's testimony

was expected to be "very ex-plosive." Another noted that three earlier witnesses—retired Major-Gen Richard Secord, Ms Fawn Hall, Col North former White House secretary, and Mr about the secret arming of the Nicaraguan Contra rebels, and bepartment official—had not whether they engaged in a told the whole truth to the com-The committee, previously

some embarrassing disclosures. Yesterday, the Wall Street

threatened to resign last pons shipments to Iran. If he November because of mislead-does not comply, he faces coning Congressional testimony prepared for Mr William Casey, in addition to federal contempt the CIA director, who has since died, about the Administration's arms sales to Iran in avelages for IIS hostages held. exchange for US hostages held

Mr Casey-a linchpin in the Iran affair, whose testimony the committee would have needed—was also reported to have held a meeting with Col North, at a private house in Washington, with Contra leaders during a Congressional

with the rebels.

Col North has been issued with a new subpoena by the testimony is likely to take place committee, ordering him to in the second week of July, lay-hand over by today documents ing the groundwork for later

House-Senate counsel are also negotiating with Col North's lawyer to press for the

officer to give private testimony, as a preparation for his public appearance under limited immunity which could take place in the third week of July at the earliest. Some members, noting the legal wrangles, doubt if Col North's ban on any CIA involvement pledge to tell his story is Admiral Poindexter's public

of the legal controvery sur- resternay, the value of the legal controvery sur- resternay, the value of the legal controvery sur- resternay the transfer of the

deputy at the CIA.

This week, the hearings will begin with Mr Glenn Robinette, a former CIA employee who installed an electronic security system at Col North's home in Virginia, at a cost of \$2,000. Mr Charles Cooper, Assistant US Attorney-General, is expected to talk about the preparation of misleading festimony for Mr Casey and Mr mony for Mr Casey, and Mr Stanley Sporkin, former CIA counsel, is likely to be questioned closely about his former

Mr Michael Ledeen. National Security Council consultant. who was close to the and diaries related to his role testimony by Mr George Shultz. Israelis in the Iran arms sales in financing and arming the Secretary of State, Mr Caspar operation, is to appear on Fri-

# to deadlock

THE BOARD of the Inter-American Development Bank is to meet in Washington today, in a renewed attempt to break

Canada would normally be expected to vote with it — would undermine the bank's multilateral nature.

latin and Caribbean countries, to which IDB loans are made, have 54 per cent of the votes.
The US has mounted a campaign to exert greater control over the running of the bank, as the price for allowing it to step up its lending and play a fuller role in the plan by Mr James Baker, the US Treasury Secretary, to finance troubled, developing country debtors. developing country debtors.
Other industrialised countries

#### Fierce drought smites farmers in NE Brazil By Ivo Dawnay in Rio de Janeiro

By Ivo Dawnay in Rio de Janeiro
A NEW drought in the impoverished north-east of Brazil has bankrupted tens of thousands of small farmers and is causing grave national concern.
Droughts have devastated the region for centuries, recurring about every six or seven years and forcing mass emigration by families to escape starvation. They flead for the richer industrialised regions of the centresouth and for the less populated lands of the Amazon region.

Mr Tarcislo Burity, governor of the state of Paraiba, has been i Brasilia to appeal for special aid for bankrupt farmers. The

# **US Supreme Court** lets banks place commercial paper

BY WILLIAM HALL IN NEW YORK

THE US commercial banking law suit now before the courts industry yesterday won another round in its long battle to US Appeal Court decision of the courts. round in its long battle to become more heavily involved in the investment banking busi-ness. The US Supreme Court upheld a lower court ruling that lets banks place commercial paper.

The Supreme Court decision ends an eight-year legal battle, which began when the Securities Industry Association (SIA), the main trade association of Wall Streets Wall Street's investment banks, challenged a decision by Bankers Trust, a leading US commercial bank, to enter the rapidly growing US commercial paper business.

The long legal battle has been monitored closely by the rest of the US banking industry. which has seen many of its traditional blue-chip corporate clients satisfying a growing amount of their short-term borrowing requirements in the commercial paper market, as opposed to relying on short-

opposed to relying on shortterm bank loans.

The Supreme Court, without
comment, left intact a lower
court ruling that banks may
place commercial paper
although it did not rule on the
controversial question of
whether they are premitted to
underwrite commercial paper.
This is the subject of a separate

have followed its lead and
moved into the business of
placing commercial paper for
their clients.

The Supreme Court decision
yesterday will not affect the
activities of US banks in the
commercial paper market. They
had been operating normally,
pending the outcome of the

last December. This court rejected arguments by the SIA that allowing banks to deal in commercial paper could under-mine the financial stability the US Congress sought to achieve through the passage of the 1933 Glass-Steagall Act, which separated US commercial and investment banking.

The Appeals Court ruled that Bankers Trust was not investing its own funds in speculative ing its own runds in speculative securities and was not buying commercial paper itself. The bank only acted as an agent in the commercial paper transaction and received a commission

Bankers Trust welcomed the decision yesterday and said that it was "final confirmation" of the legality of its commercial paper placement service
The Bankers Trust case has been a cause celebre in the US banking industry. Several banks have followed its lead and moved into the business of placing commercial maper for

placing commercial paper for their clients.

The Supreme Court decision yesterday will not affect the activities of US banks in the commercial paper market. They had been operating normally, nending the outcome of the

### Alfonsin visit raises hopes of US Falklands mediation

BY TIM COONE IN BUENOS AIRES

coast of the US by President Raul Alfonsin of Argentina, which ends today, has raised further expectations of possible US mediation in the Falkland Islands dispute Islands dispute.

Islands dispute.

Mr Alfonsin has been accompanied by a high-powered delegation, including Mr Dante Capoto, the Foreign Minister. Mr Juan Sourouille, the Economy Minister, and Mr Theodore Gildred, the US ambassador in Buenos Aires. The envoy, who has been the prime mover of the tour, said at the weekend that the US wishes to see "important issues" regarding the islands being dealt with "this year."

THE PRIVATE tour to the west Deputy Assistant Secretary of State for South America. Mr State for South America. Mr Javier Perez de Ceullar, the UN Secretary-General and the Argentine delegation at the UN.

UN.

Mr Alfonsin said just over a week ago, during his visit to Switzerland, that the Swiss and Switzerland, that the Swiss and US Governments were looking for ways forward on the dispute. This raised speculation that possible contacts with a view to negotiations are in the pipeline.

However, the sovereignty issue remains the principal obstacle to a renewal of talks. Argentina insists that there must be a British commitment at some point to discuss the Although the Government had introduced preferential interest rates of 6 per cent a year for north-eastern farmers, this was not enough.

"this year."

Mr Caputo is to travel to issue, even if not immediately. The UK Government insists that sovereignty is not for negotiation.

tions for the presidency, the most attractive is that he is a Mr Bab most attractive is that he is a Democrat who knows how to govern in a Republican environment, He served nearly was outraged to read about the who fancies himself as some-

standing in the middle of a herd of pigs.

"Duroc crossbred sows." grunted an appreciative Mr Charlie Duffy, owner of the 220-tacre organic farm in eastern Iowa which had just received Mr Babbitt and his political entourage.

Almost all publicity is good publicity for Mr Babbitt, 48, the lanky former two-term Governor of Arizona who says he arrived in the crucial midwest farming state a year ago in "terrible anonymity."

So he joined 7.500 cyclists in the Des Moines register's annual bicycle race across Iowa. What he lost in pounds, he gained in headlines. Last month he splashed out \$140,000 (£86,000)—half of his allotted television advertising budget—simply to promote his name.

More than seven months remain before the Iowa caucuses, the first chance for Democrats to cast their vote for a favourite. The premature exit of the party's front numer—Mr Garry and the consensation of Senator Barry Goldwater for more than 25 years. In 1982 he was re-elected to the job with 62.5 per cent of the vote, the highest re-election majority since World War Two.

As a western Democrat with a distinctly non-ideological approach to politics, Mr Babbitt of the vote, the highest re-election majority since World War Two.

As a western Democrat with a distinctly non-ideological approach to politics, Mr Babbitt is also atrack record. At least once in every speech he manages to drop references to a 1986 national survey by Inc Magazine which showed the Arizona economy as the fastest growing in the Union.

Mr Babbitt is also attracted to new ideas. His compact campaign slogan is that he "dares to be different," and he considers some of his early proposals to be progressive: meanstesting for social security, Medicare and tax deductions (such as mortgages on second homes).

Mr Babbitt says social pro-

care and tax deductions (such as mortgages on second homes).

The premature exit of the arty's front numner—Mr Gary tart—has whetted appetites mong the seven declared bemocrat candidates who now that Iowa can be the pringboard for the nomination.

Of all Mr Babbitt's qualifications for the presidency, the needs and confining them to those who really need protection. to cast their vote for a favour-ite. The premature exit of the party's front nunner—Mr Gary Hart—has whetted appetites among the seven declared Democrat candidates who know that Iowa can be the Springboard for the premise. springboard for the nomina-

Babbitt sets out to polish his image MR BRUCE BABBITT, one of nine years as Governor of the more thoughtful Democrat presidential candidates, was standing in the middle of a herd of pigs.

"Duroc crossbred sows."

"Duroc crossbred so

Lionel Barber on a Democrat presidential candidate who is not afraid of self-promotion



Babbitt: earnest honesty

suggests that one way to restrict such practices would be to remove tax exempt status to corporate bonuses (just as Federal law imposes some curbs on corporate pension benefits). "We also need a better

ment and unions.

By far his most ambitious idea concerns reform of the world trading system. President Babbitt, we are told, would call foreign leaders to an international conference modelled on Bretton Woods, the epochmaking 1944 international agreement on exchange rates. He would propose scrapping all tariffs and quotas and invent a new world of "multilateral balance" —whereby any country running a trade surplus over an agreed threshold would be required to take corrective action.

over an agreed threshold would be required to take corrective action.

As set out in a recent Washington Post article, the idea appeared to ape Congressman Richard Gephardt's shot dead in Selma, Alabama, retailiatory mechanism in the House Trade Bill. Mr Babbitt says the reverse is true: the target country itself would bear responsibility for cutting it for a new moral direction in surplus, not the plaintiff. "Faced with that choice, I believe it would opt to open its markets," he says in an argument which is stronger on description than prescriptions.

Out on the road, Mr Babbitt says a disarming tendency to use a paragraph where a sentence go in his search for self-

There is, however, an earnest honesty about Mr Babbitt, whose south west drawl and clean good looks come across like James Stewart playing the

sheriff to clean up the town. His advisers have yet to capitalise

fully on this, concentrating instead on a stock speech which badly lacks resonance.
One version begins with young Babbitt in Bolivia in the summer of 1962. There, as a geology student, he saw "the face of starvation," whereupon he con-

a paragraph where a sentence go in his search for self-will do. Being a cerebral type, definition, but no further than he uses words like "oxymoron" the Democrat Party itself as it in front of voters—which gathers its forces for the cam-certainly gives a new meaning paign next year.

# **IDB** board seeks end

over vetoes By Alexander Nicoll

a long deadlock over replenish-ment over the institution's resources.
Other countries have insisted on a 40 per cent veto, or the US plus two other executive directors. They say that to give the US virtual veto power

At present, decisions are on simple majority, and the 25

and Latin American member nations have accepted the thrust of the US argument but the debate has been stalled for months on a US proposal that each loan decision could be vetoed by a 35 per cent vote the US plus one other

aid for bankrupt farmers. The drought had reduced output of staples such as corn and beans to just 10 per cent of a normal harvest, he said.

# SOME OF OUR PUBS HAVE BECOME A LOT MORE SUCCESSFUL SINCE WE ADDED GROUND COFFEE, BROCCOLI AND GRUYÈRE TO THE BEER.

It's certainly been a recipe for success in Soho. In 1983, The Helvetia in Old Compton Street, was one of those pubs where three pints of bitter and a packet of cheese and onion crisps was a big order. Today on the same site, expensively padded shoulders jostle

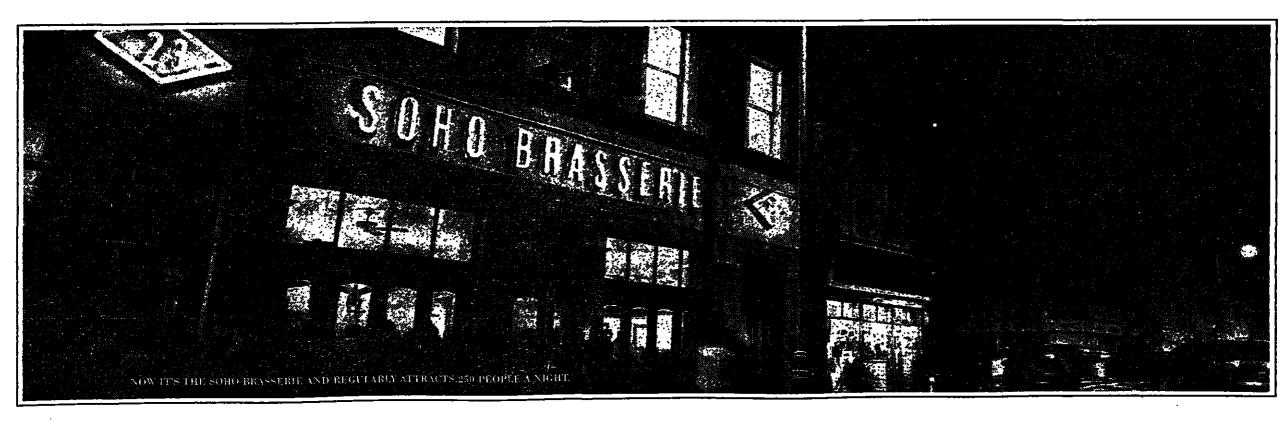
with each other at the bar, for another couple of champagne cocktails before dinner.

In three years the Soho Brasserie has paid back every penny we invested in it and established itself as what one magazine described as, the Rovers Return of the media set. And it's a perfect example of the way we've been looking at our 6900 pubs. Not of course that we intend to put brasseries on every street corner.

The Soho Brasserie is just one result of our policy of researching what's missing in an area, then building it. In Watford, we discovered what would get people out for the night was a night spot. So we converted a large roadhouse pub into The Gamebird. It's now a thriving, jiving success turning over £750,000 a year.

And in Bolton, we found what they were crying out for was a really traditional pub. The Howcroft is now packed every night and has anything but

traditional profits. In the last few years we've spent £270 million on our pubs. And in some places we noticed the last thing people wanted was another pub. So we've turned them into café-bars, restaurants or wine bars. And giving people what they want really pays off.



Our profits have never been higher. The success of places like the Soho Brasserie is all part of our commitment to our role as a leading international food, drink and leisure group. Which is of course, of little consolation to our competitors.

So we offer them this advice. To achieve our success, start by discovering what's missing from your beer. Allied-Lyons

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# **US** criticised for 'failures' in Japan deals

THE PRESIDENT of the Kansai International Airport Company (KI-AC) yesterday berated foreign companies for not trying hard enough to win contracts for the controver-all eliter. "We therefore do not intend sial (\$6bn) construction project, to include foreign or any other out-

Reuter reports from Osaka. "Whether Americans are putting

Mr Yoshio Takeuchi. The plan to build the airport out-side this industrial city has turned into a major international row.

Foreign countries, led by the US, have charged Japan and the KIAC with shutting them out of the lucrative construction project, due to be

completed in 1993. But Mr Takeuchi said that it was whatever, work cannot be done up to foreign companies to change their ways and adapt to the Japa-nese markets if they wanted a piece of the action.

They should not expect Japan to change to meet their demands, he

As if to drive his point home, Mr Takeuchi last week rejected US calls for changes in the design tracts to airport authorities from teams and bidding procedures for Britain, France, West Germany,

dumping duties THE European Community

yesterday gave itself the power to extend anti-dumping duties to the components of products made in the EC. The measure, agreed at a meeting of the Community's 12 foreign ministers, gives the EC

one of the toughest defences against predatory pricing any-where in the world.

**EC** acts

to extend

An accord was worked out in principle last week by EC ambassadors, but the formal announcement was reserved for yesterday's foreign ministers' meeting to send a strong political signal to Japan, officials said.

While the measure is primarily almed against Japan in response to a chorus of complaints from EC companies over alleged unfair trade practices, ti can be used against any ex-porter to the EC which tries to circumvent anti-dumping duties by setting up assembly plants inside the Community and using dumped parts.

"We cannot be accused of being weak by the people who make international trade more difficult," said Mr Leo Tindemans, Belgian Foreign Minister and chairman of yesterday's

In a reference to Japan's burgeoning trade surplus with the Community, he added: "If we cannot have an equilibrium in the trade balance, the situa-tion becomes impossible. Some-thing has to be done."

that investigations had yet started into any so-called screwdriver plants, though Japan is said to have recently been building up manufacturing in the Community in photocoplers, weighing machines and elec-tronic typewriters.

to a company already subject to dumping levies. The new penalties would bite if the EC plant steps up output after duties on imports of a similar product are imposed.

John Murray Brown reports on legislation aimed at controlling a booming industry

# Indonesia takes the counterfeiters to task

of the US and, more recently, the European Economic

Indonesia this week becomes the latest country to confront the problem when the militarythe problem when the militarybacked Government of President Suharto puts an
amendment to the 1982
copyright law before the
People's Assembly. According
to Mr Ismael Saleh, the Justice
Minister, the new legislation
covers foreign films, music,
books and computer software
and provides for stiff penalties and provides for stiff penalties of up to five years in jail with fines of \$15,000-much in line with the US. The law is likely

to be passed in September. Legislation on patent is expected to follow. Officials appear keen to play down what is clearly a sensitive issue bearing on questions of sovereignty and national interest—a curious legacy of former President Sukarno, who in 1958 left the Berne convention on convenith in a blaze tion on copyright in a blaze of anti-colonialist rhetoric, still popular in some quarters today. Whether or not the Government is now attempting remar to save face, there is little maver doubt the barrage of interna-time."

Imitation may be a form of tional criticism has quickened flattery but in Asia today it is the pace of legislation. First also the backbone of a multimilion dollar counterfeit of Mr Bob Geldof, the Irish industry attracting the wrath popular, accusing Indonesis, and the country's approach the country a or more accurately the country's cassette and video pirates, of making \$3m from sales of tapes of the Live Aid Concert held to raise money for the starving

to raise money for the starving of Africa.

More damaging, perhaps, has been the threat of trade sanctions under provision of the US Generalised System of Preferences used to help developing countries export to the US. Last July the International Intellectual Property Alliance, a US industry group. filed a petition industry group, filed a petition to the trade representative in Washington under the 1974 Trade and Tariff Act calling for an end to GSP concessions to Indonesia. It cited "the pirated recordings of the Live Aid con-cert as a particularly pernicious example of the broader pro-

a more than cursory look at this amendment, the first item debated since the general elections in April. As one official remarked: "There are more mavericks in the house this

Nonetheless, the decision to press ahead with reform has meant the GSP hearings have been suspended, providing the Government with valuable breathing space. The US was probably influenced by two key-note judgments recently passed in Indonesia's Supreme Court. Under the 1961 Trademarks Act, rights are created by first use, though registration has proved a good defence in a civil action for infringement. In December an Oregon-based shoe manufacturer successfully reversed an earlier decision by the Supreme Court taken in favour

In March this year Revion, the New York cosmetics group, won pens in Singapore. New York cosmetics group, won a similar verdict. The powerful US Pharmaceuticals Manufacturers' Association was subsequently persuaded to withdraw complaints filed on patent violations.

According to Mr Bambang Kesowo, head of the legal department at the state secretariat and a members of the 14-man

and a member of the 14-man presidential commission set up pharmaceuticals remains a major bone of contention. The Health Ministry is busy lobbying for an exclusion on patent, a position taken by South Korea and now the centre of a pro-tracted dispute with producers in Europe and the US.

The ministry's concern is that The ministry's concern is that in this \$420m-a-year industry dominated by some 40 foreign companies including Glaxo, ICI, Beechams and the Wellcome Foundation, patent would give producers carte blanche to raise prices. An independent give producers carte manche to raise prices. An independent survey by the industry shows, however, that less than 5 per cent of products on the market would be covered, their patents having already expired. In any event, the new laws may prove harder to enforce. There is little sign shopkeepers are clearing shelves ahead of a clampdown. Th roadside photo-copier still does a brisk trade Berne convention.

the Indonesia counterfeiter. and public libraries are not yet

The impact of legislation on

For one thing, companies the law is deemed to protect are not necessarily the ones ready to invest in Indonesia. A computer software manufacturer, for example, may feel more confident about selling his product. However, he is unlikely to want to invest capitalists. tal in Indonesian plant. Unlike India, where International Business Machines is now expanding operations, Indonesia has only a tiny pool of the skilled scientists and technicians necesscientists and technicians these sary for such a joint venture. Even with the amendment passed, the EEC's concern is that it may lead to a bilateral agreement with the US, as hap-pened in South Korea and which is still a matter of dis-pute between Seoul and

"If there is no linkage, there is no value for third countries," says Mr Rudiger Wenk, the EEC delegate in Jakarta. The Commission would like to see Indonesia once again ratify the

# **US and EC seek** end to 'pasta war'

BY WILLIAM DAWKINS IN BRUSSELS

TALKS in the "pasta war" between agreement by the time the US has the US and the Common Market rethe US and the Common Market resume today in what Mr Willy de cord over pasta and citrus fruit Clerg, the European Commissioner trade, which were the source of a for external trade, described yester. major US-EC row last year. day as the "last round" of the yearlong negotiations over EC pasta ex-port subsidies. day that he would visit Washington between July 6 and 9 to try to head

Mr Jim Murphy, the assistant US off protectionist trade legislation Trade Representative, is to meet now being debated in the Senate trade officials at the Commission and House of Representatives. today to press for substantial cuts in the subsidies the EC pays its promaking no threats in Washington next month but that he would spell

However, Mr de Clercq said yes out the consequences for US interterday that any solution would have ests in Europe if any trade legislato leave subsidies unharmed. The tion was passed that was "in flatwo sides are committed to finding grant violation of Gatt

side firms in our design teams."

The Japanese put forth a lot of

enough effort into entering the Japanese market... is doubtful," said enter in trying to export," Mr Takeuchi said "They strive hard to overcome language, culture and other differences.

But foreign companies did not seem to put as much effort in penetrating the Japanese market. Some even believed they could enter the local construction market without speaking Japanese, he said. "Whether it's civil engineering or

unless the workers understand," Mr

But Mr Takeuchi said foreign companies would be given a fair chance to win contracts in the construction of the international air-

Earlier this month, Kansai International awarded consultancy con-

Commission officials denied

Anti-dumping measures can from now on be applied to EC manufacturers with close links Mr de Clercq announced yester-

> They would only apply to products that are more than 60 per cent composed of parts from the country concerned, with the rest coming from any other source, in or out of the EC.

#### Gulf nations seek lower petrochemical tariffs

Community (EC) counterparts today on the contentious issue of European tariffs on Gulf petrochemical exports, Reuter

reports from Riyadh. The GCC—grouping Saudi Arabia, Kuwait, the United Arab Emirates, Oman, Qatar and Bahrain—has tried without success since 1981 to get the EC to cut or eliminate duties on their patrachemicals. duties on their petrochemicals.
Gulf nations have spent billions of dollars building petrochemical plants and argue that the EC taxes are unfair in light of the low level of duties —sometimes nil—they place on

GULF Co-operation Council imports from all nations, it (GCC) ministers open talks in would be unusual to grant Brussels with their European special preference to the rich Gulf nations.

The Gulf grouping has never retaliated for the European duties, but has given indications it may seek to link action on that issue with agreement on co-operation in other areas.

The Saudi newspaper al-Riyadh said it haped "the new dialogue might bring more understanding from the EC. We have to create co-operation on an overall view, not a limited one tailored to Western interests alone."

The daily charged that EC "excuses and reservations on

imports from Europe. accepting competition from The EC counters that since petroleum products from the its taxes are imposed on Gulf are exaggerated."

#### Isuzu ships diesel engines to W Germany

By Ian Rodger in Tokyo

ISUZU MOTORS, the Japanese automotive group, has begun shipping 1,500ce diesel engines to Opel in West Germany in a

to Opel in West Germany in a deal expected to involve 42,000 engines a year.

General Motors of the US owns Opel and has a 38,6 per cent stake in Isuzu,

The deal will provide a major boost to Isuzu, which has suffered considerably in the past year from the high yen and year from the high yen and intense competition in the domestic market, For the year to October 31, 1986, Isuzu had a net loss of Y3.98bn (£17m) compared with a net profit of

#### Japanese loans sought for Polish car plant A GROUP of four Japanese mitment to providing the bulk

companies is asking the of necessary loans stands un-Government for loans to Poland changed, officials said. ger cars, officials said yesterday,
AP-DJ reports from Tokyo.
The four are Points of the passent assistance to Poland by March 1988. The four are Daihatsu Motor
Co and three trading companies
—Mitsui, C. Itoh and Sumitomo
Corp. They are trying to export

a plant capable of making as many as 120,000 passenger cars a year and to transfer related chnologies to the communistblee country.

Company officials refused to discuss the scale of the entire project, But a spokesman for Daihatsu said the export of the plant itself would be worth about Y40bn (£171m).

nations has been halted as a result of that country's inability to pay back \$33.5bn (£21bn) in debt accumulated by the end of last year.

Officials denied a newspaper report that the four companies are ready to seal an agreement putting into final shape the project, for which Daihatsu and Italy's Fiat have been vying.

The report said Daihatsu is expected to win the bid. It said, further, that the group will sign Y13.38bn in the previous year, Though options are being a final agreement as ear Isuzu is a leading truck and considered, the group's stance this summer, with producted engine maker in Japan to seek a full government com-Though options are being a final agreement as early as considered, the group's stance this summer, with production

# KWIK SAVE GROUP,... ("KWIK SAVE")

**Tender Offer on behalf of Dairy Farm International Holdings Ltd.** ("Dairy Farm")

A circular from the Board of Kwik Save is being posted today to Kwik Save shareholders regarding the tender offer on behalf of Dairy Farm.

> Shareholders are advised to TAKE NO ACTION

regarding the tender offer until they receive the circular.

KUK SAVE

Henry Ansbacher & Co. Limited furnish the following information on behalf of Groupe Bruxelles Lambert S.A. in respect of a rights issue.

This is not an offer of bonds. Applications for bonds may be made only outside the U.K. and on the terms of the prospectus referred to and obtainable as mentioned below. The prospectus is not available in, and will not be sent to, the U.K.

# Groupe Bruxelles Lambert s.a.

Head office: avenue Marnix 24, B-1050 Bruxelles

Rights Issue of Subordinated Bonds with Warrant 6% - 6 Years of BF 3,760 par value

Terms 1 bond

for every 8 shares

Price at par

Subscription period 23rd June to 7th July 1987

Warrant one warrant is attached to each bond and entitles the holder to acquire one GBL-share at BF3,760

Application for the prospectus may be made to the head office as well as to

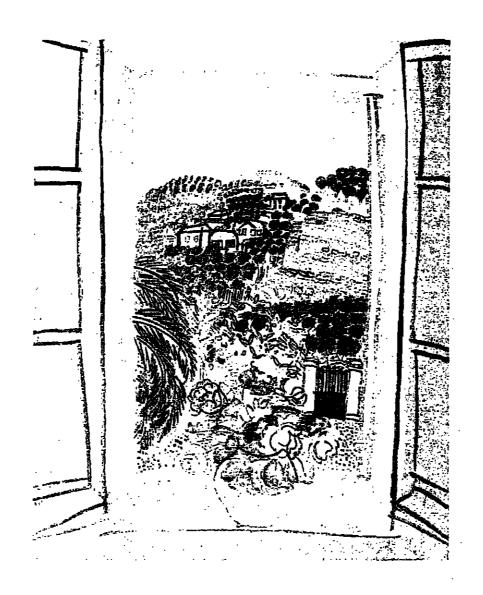
Belgium Banque Bruxelles Lambert Banque Paribas Belgique Générale de Banque Kredietbank Crédit Général Caisse Privée Banque

France Banque de Gestion Privée-SIB **Banque Louis-Dreyfus** Banque Paribas **Banque Worms** Banque Nationale de Paris

Luxemburg

Banque Internationale à Luxembourg Banque Paribas (Luxembourg)

The Netherlands Algemene Bank Nederland Banque Paribas Nederland



OPEN WINDOW

Raoul Dufy



# OPEN WAY

Both are masterpieces in their own way. But, while the Dufy might look good on your board-room wall, ICL's Open Way programme will have a far more profound effect on your business.

Open Way is, quite simply, a new and complete approach to networking. One that embraces all the different sources of information in your business-not just data, but voice, text and image systems too.

The Open Way programme enables all

these existing systems to be joined together—opening the way to the faster flow of information you need to retain and enhance your competitive edge.

As you would expect from ICL, the Open Way programme has been designed around the International Open Systems standards. So not only different types of equipment but different manufacturers' equipment can work together. This gives you real freedom for the future by ensuring that you need never be

locked into a single system or supplier again.

The Open Way programme represents ICL's total networking capability, incorporating all ICL's networking skills, products and services. Open Way is a philosophy for success, so whether you're currently an ICL user or not, Open Way will open up a brighter future for your business—helping

you make more of your resources and more of your people.



We should be talking to each other.

# A buzz to save horses from the bullet

Alan Cane reports on Electrovet, which promises faster and lower-cost treatment of tendon and other injuries

" ELECTROVET " an equestrian colleague said approvingly.
"You've really hit the hottest topic in the horse world there!"

Tack rooms around Britain, it seems, are buzzing with interest in the Electrovet, a new technique for treating horses with tendon and other

injuries.
It promises faster healing at dramatically lower cost and without recourse to traditional methods which, to the outsider at least seem more related to medieval torture than veterinary

Electrovet is based on gentle electrical stimulation of the affected part at low levels of current and voltage. It has been described as a kind of electrical acupuncture.

Electrotherapy, the London-based company which manufac-tures and markets the device, suggests somewhat diffidently that the electrical field generated by the device reinforces the natural electrical activity which characterises a healing

In truth, it seems likely that nobody knows why it works, any more than Western medical specialists understand the physiological basis of acu-

But of course. doctors have nsed treatments like aspirin for decades without a detailed understanding of how they



Electrovet comes to the aid of showjumper Ryan's Son, with rider John Whitaker (left) and Electrotherapy managing director Lord Robin Innes Ker (right)

ing director, Lord Robin Innes include Peter Walwyn and Ian battery-powered box of tricks period. Rer. have nevertheless met with and Toby Boldwin; eventers like which generates the healing resistance from the veterinarian Ian Stark and Lucinda Green current is strapped to the humans.

profession, a resistance which is only now starting to crumble in the face of the Electrovet's track record of success.

The fact is that a growing body of experts in horses and their ailments agree that Electrovet works and can bring the claimed benefits.

Convinced racehorse trainers include Peter Walwarn and Ian

traditional treatment damaged tendons, a hideous business called "blistering" where the injury is scorched with hot irons. Nobody knows how that works either; there are theories that scar tissue from the blistering strengthens

Humane treatment apart, a major justification for Electro-vet lies in cost savings. Horses, as any Dick Francis fan knows, are flighty creatures prone to all sorts of aliments from pulled tendons to swollen joints. Tendons go under the kind of stresses imposed on them by racing. An expensive racehorse Jamed by tendon trouble earns no fees and costs its owner a fortune in stabling and vet's

charges.
Of course if they don't improve, they shoot horses don't they? One expert remarked blantly: "What Electrovet does is tell you in a much shorter time whether a horse is worth saving or not."

The device has wider appli-cations in the animal world. It cations in the animal world. It has been used successfully on stud bulls, dogs and sheep. Lord Innes Ker, a former soldier who saw service in the Falklands, has sold the device to sheiks in the Middle East for use on racing camels. A top receipt camels camels to be worth \$1 m. racing camel can be worth £1m.
The Electrovet can be bought, leased or rented for around £8 a week, Electrotherapy says. Call out charge for a vet these days is around the £25 mark, period. which would seem to make the It all seems a massively electrical outsider a good, humane improvement on the each-way bet.

#### **Setting sail** by satellite

NIPPON KOKAN, the Japanese steel, engineering and shipbuilding group has developed a ship navigation and operational control system in conjunction with Ocean Routes, the US-based international company which provides weather/routing information services to the shipping world.

WORTH

WATCHING

Edited by Geoffrey Charlish

Sony's tiny screen

FURTHER entertainments for

airline passengers are on the way from Sony in Japan, which has developed a four-

inch, flat colour screen system that will be installed in the backs of the seats. Designed

in conjunction with Cali-fernian company Trans Com Systems, ACSES (airborne

cabin service and entertain-

ment system) will offer three

ment system) will offer three channels of dual language videa, local TV, views of the take off and landing, a choice of video games and nine steres audio channels.

takes to the air

The system is called MITS (Master's Intelligent Terminal System). It uses the Inmarsat (International Maritime Satel-lite Organisation) system for ship to shore communication via satellite. On shore, Ocean Routes compiles weather and route data which is sent to a personal computer (PC) on the ship. The computer also gets inputs from navigational, engine and other sensors. Then, software in the PC allows the best route and engine speeds to be selected and the course to be steered automatically. MITS will also sound an alarm if the hull is In addition it can send data about the journey to the ship-ping line's shere-based com-

#### Where you are on London's tube

FROM THIS autumn, new prototype rolling stock will be tried out on the Piccadilly and Jubilee lines of Lendon's underground system. The new trains will make it easier for passengers to knew where the train is on the line.

The trains will use a system from Racal Acoustics of the UK called AVAD (audio voice alerting device). This has already been used on North Sea helicopters to warn pilots of impending hazards. On the trains, a digitally

stored voice will call out the stations to passengers just before arrival. There will also be indicators at the ends of each car which will alternate between final destination and the next stop the train will

#### Safer signposts down the road

CRUMPLED AND distorted road-side signposts can be avoided with a design by Wicksteed Leisure of the UK. When conventional posts are hit they often embed themselves in the vehicle, possibly injurying the occupants and certainly damaging the ear.

The Wicksteed post has a flange at the bottom which sits on a similar flange which is nort of a buried base. The

is part of a buried base. The two flanges are connected by special bolts which shear when the impact occurs, absorbing most of the energy. The post can be re-creted with new bolts in a few minutes. To cut costs, a conversion upper flange kit allows existing stocks of posts to be used. The company claims the new posts pay for themselves very quickly at vulnerable road-side locations.

#### Miniature view of telephone callers

ELECTRONICS group Sony and Nippon Telegraph and Telephone, the Japanese telecoms operating company, have jointly developed a very small videophone that will be on sale in Japan soon for about \$350. With a four inch picture and ministrys company. picture and miniature eamers, the unit can send pictures over normal telephone lines.



tele Electric of Great Britain Ltd, Electricity Buildings, Filey, Yorkshire YO149PJ. Tel: 0723 514141 Telex: 52163

#### Nasa lines up warning system

THE ENGINEERING reporting troubles discovered within the National Aeronautics and Space Administration (Nasa) at the time of the shuttle disaster are unlikely to be repeated when the Adto be repeated when the Ad-ministration's new safety re-porting system (NSRS) is

established.

NSRS is to be designed and implemented by Battelle, the US research group of Columbus, Ohio, under a \$385,000 14-month contract. Its pur-14-month contract. Its purpose is to provide a voluntary, direct and confidential reporting line so that the 198,000 employees of Nasa and its contractors can notify head-quarters of any safety concerns they have.

Employees will mail report forms direct to Battelle, which will remove employee identification before passing the data to Nasa. No record

the data to Nasa. No record will be kept of the reporting individual, who will also be able to indicate his or her own assessment of the likely consequences if no action is

#### **UK** management brought to book

SEVERAL THOUSAND company directors in the UK have just received 120 pages of guidance about managing technology and the courses that are available in Britain

on the subject.

The book was sent by Jupiter (joint universities and polytechnics industrial technology and research), an organisation sponsored by 36 government, industrial, professional engineering and higher education bodies. Jupiter says the book is a unique guide to over 90 courses on the management of technology. Further copies are available.

#### CONTACTS:

NKK: Tokyo, 212 7111. Sony: UK office, (784 61698, Jupiter: UK, 0895 73504 Wisksteed Leisure: UK, 0636 517028, Racal: UK, 0734 782158. Battelle: UK office, London, 483 0184 or (614) 424 4717 in the US.



profession, a resistance which have used and endorse Electro-horse's back. Wires carry the

#### Danes achieve a "significant advance" in insulin research

BY HILARY BARNES IN COPENHAGEN

NOVO, the Danish biotechnelogy group says it has made the most significant break-through in insulin research since insulin was first isolated in laboratories in 1921.

The company is the world's second largest producer of insulin, and believes its work will lead to completely new series of insulins for the treatment of diabetics. Commercial products, however, are still at least five years

Nove has applied for patents on the new products as well as for patents on the technology for their produc-

Its scientists say they have isolated a series of new insu-lin molecules which closely imitate the behaviour of these produced in the body by non-diabetics. This opens the way

to more effective and con-venient treatment. The new products on which Nevo is working include an extra rapid acting insulin which imitates the short-lived insulin secretion that takes place in non-diabetics at mealtimes, and a soluble long acting insulin which imitates more normal insulin secretion.

# Cheap text entry for PC users

BY GEOFFREY CHARLISH

PAGES OF typewritten or typeset material, almost regardless
on the text scan and are captured on a second run using the
"bit map" facility at selectable
definitions up to 300 dots per
personal computer (PC) using
are 50 000 system from Kingman, and the captured, the
material are to a second run using the
"bit map" facility at selectable
definitions up to 300 dots per
inch. Once captured, the
material are to a second run using the
"bit map" facility at selectable
in increasing demand as more
companies keep their information on electronic databases. Massachusetts and Reading,

Discoverer 7320 consists of the desktop scanner and a circuit board that plugs in a spare slot

lishing software in the PC. Kurzwell's important achieve-ment with Discoverer 7320 is in setting such a low price for a versatile machine that produces in the PC. It will deal with a only a handful of wrong page a minute, taking typeface characters per page (easily changes between eight (2 mm) corrected on acreen). Previous and 24 point (6 mm) in its systems from the company, with stride, and even coping with similar abilities, but aimed at skewed positioning of the abeet the shared minicomputer

personal computer (PC) using inch. Once captured, the tion on electronic databases. an £8,000 system from Kurzweil material can be edited and Computer Products (Cambridge, arranged using appropriate when they "go electronic," word processing or desktop pubhave a backlog of paper that needs conversion and a subsequent input of new paper that must be put into the system. The alternatives so far, for say, systems with a few networked PCs, are either to key in the paper, which is expensive, or buy a page reader—at prices which, for good machines, have been in the £30,000 to £40,000



# Spot the power station.

If all you can see is a mountain, that's as it should be Because Dinorwig Power Station in North Wales was designed and built by the Central Electricity Generating Board to be concealed in the heart of a mountain.

Dinorwig is the largest pumped storage power station in Europe. It can supply electricity for several large cities for up to five hours and has the fastest response of any pumped storage scheme in the world.

For all its advanced technology the basic principles behind Dinorwigs design are easy to explain.

Almost seven million cubic metres of water are held in a reservoir in the mountain and released when electricity is needed.

Water cascades down tunnels and shafts within the mountain at a rate of 420,000 litres per second, driving turbines which turn a generator to produce power

The generators can be delivering their maximum output within seconds.

The water is collected in a lower reservoir and pumped back up through the turbines at night, when electricity demand reduces, ready for re-use.

As you can see, the principle behind preserving the beauty of the environment needs no explanation at all



# B&C to pay £427.5m for Caledonia stake

BY CLAY HARRIS

BRITISH & Commonwealth Holdings, the financial services and industrial group, is to pay £427.5m to buy most of the stake owned by Caledonia Investments, its largest and oldest shareholder.

The disposal will end more than a century of executive involvement by the Cayzer family, whose ship-ping line was the seed for the diver-sified company which now has a market value of more than £1.5bn. It comes only eight months after Mr John Gunn brought a new man-agement team into B&C and seven £673m purchase of Exco International, which he had previously built into the world's largest money

Mr Gunn this week succeeds Lord Cayzer as chairman.

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The Exco deal led directly to yesterday's disposal. As a result of that acquisition, the B&C stake held by Caledonia, the Cayzers' listed in-vestment vehicle, fell from 46.6 per cent to the present level of 31.3 per

Any future acquisitions involving the issue of B&C shares would have obliged Caledonia either to commit more money to B&C, which already accounts for 90 per cent of its gross assets, or to see its stake fall below the 25 per cent level at which it would lose tax advantages on an eventual disposal.

Caledonia expects no capital necessar gains tax liability because of the business

structure of the disposal, which in-volves an initial £100m cash payment and the issue of preference shares, which will be redeemed in four annual instalments between 1988 and 1991.

Mr Peter Buckley, who will be Caledonia's only non-executive director at B&C, said that the shares had not been offered to any other party. Caledonia will use the proceeds to increase its holdings in property and listed investments. Its stake in B&C will fall to 4.9 per

B&C will retire 90m of its 324m ordinary shares as a result of the deal. It expects to be able to offset additional advance corporation tax payments against other tax liabili-

The purchase of the shares would have no effect on earnings per share this year, Mr Gunn said, but would provide an annual enhancement of 10 to 15 per cent after-

B&C separately announced yes-terday that it had shelved plans to introduce outside equity investment into Bricom, the subsidiary created to manage its non-financial interests. It had already scaled down the size of the minority from 20 per cent to 5 per cent.

Mr Gunn said: "For all the fuss it would create, there's just no point." B&C no longer thought that the discipline of external capital was necessary to get the best out of the

### **Scottish** textile company sheds 630

By James Buxton, Scottish Correspondent

DAWSON INTERNATIONAL, the Scottish-based textiles company, is to close a large knitwear plant at Coatbridge in Lanarkshire with the loss of 630 jobs, the company an-

The future of a dying and finishing plant which employs 160 people at Alva, near Stirling, is also in

The decision to close the Coatbridge plant follows Dawson's fai-lure to find a buyer for its subsidiary, Mackinnon of Scotland, which ufactures knitwear under contract for major retailers. Dawson decided to sell Mackinnon because of the heavy losses it was making. Last month Dawson announced

Dawson said yesterday that contract knitting was not compatible with the group's mainstream business of bespoke knitwear

the closure of Mackinnon's plant at

Irvine in Ayrshire with the loss of

Dawson still hopes to find a purhaser for Mackinnon's dying and finishing plant at Alva, the Cobblecrook Dying and Finishing Compa-

Dawson believes it is better operating in market sectors where it can set prices.

# Bracken House deal raises City property stakes

companies were effectively frozen out of the informal tender which led yesterds; to the sale of Bracken House in the City of London to Ohbayashi Europe for £143m cash. The deal underlines the growing interest of Japanese investors for

BRITISH PROPERTY development

sterling property assets. It illus-trates that Japanese companies are prepared to pay heavily for what are classified as "landmark build-

Bracken House, built in the 1950s as the headquarters for the Financial Times, is on an island site of 40,000 square feet just opposite St Paul's Cathedral and close to the Bank of England, the traditional heart of the City of London. Such property does not often come on the

Ohbayashi paid £3,575 a square tin, the surveyors advising Pearson.

With few exceptions they could of that layer. not contemplate prices of £3,000 plus. Not only would it be difficult up in one scheme than most would terests.

One active developer said, in tender came down to Japanese com-reaction to the Ohbayashi deal, that panies competing against each othit would be difficult in the future for er. So what happened over Bracken British property companies to com- House is a small-scale version of pete at the new level of prices likely what has been happening in the opprevail for sites in the best City US, where Japanese companies of London locations.

While the Bracken House sale year of about \$4bn, and this year of London locations.

fices market.

"Should the Japanese cease buy-

In the UK, the Japanese drive in-

BY PAUL CHEESERIGHT, PROPERTY CORRESPONDENT

has the effect of pushing upwards could spend \$60m.
the value of sites in the central City If the Japanese interest in the district and could thus mean a re- British market continues - and the rating of property companies active British market in this context really in the City, it will make it more dif-ficult for them to replenish their could be a repetition of the US situstock for redevelopment.

The difficulty has in any case been developing as City property prices have spiralled upwards in reponse to the pressure on space ing US real estate, or become less aggressive in their puraches, prices for quality US office buildings could fall by about 10-15 per cent," calculated Salomon Brothers,

nancial criteria from British devel-British developers in the past have opers adds a further layer of in-been prepared to pay around £2,000 crease on property prices. Pearson a square foot for City sites which sought to obtain a return on Brackhave planning consent for redevel-en House, in the books at about comment.

could do this. It could sell the propto put hands on the cash, but it erty to an American owner-occup-would also mean more money tied ier. Or it could sell it to Japanese in-

The thrust of Kumagai Gumi's activities has been to buy sites as a vehicle for its own construction expertise. Obbavashi seems to be following in its footsteps.

With Kumagai, Shimuzu, Kajima, Taisei (which has a joint venture with Hammerson in the City) and Takenaka Ohbayashi is one of the leading six Japanese construction companies. In the year to last

means central London - then there ket said that Ohbayashi had tried to buy at least three other properties ation. There, Japanese buying has underpinned the top range of the of-House deal.

Possibly, Ohbayashi will redevelop the building for one of the expanding Japanese banks or securi-ties houses. Mr Andrew Mayer of Vigers, the surveyors with an extensive list of Japanese clients, noted that the Japanese institutions often seemed more comfortable taking property from a national counter-

to property has been led by the construction companies, notably Ku-magai Gumi, and has been followed But redevelopment will need planning consent from the City of London Corporation. On the basis through by the trading houses such as C. Itoh. At the same time, Japanese banks have substantially expanded their lending to British ment of about £40m. Because the property companies – they account-ted for 5 per cent of new money pro-new building will be restricted in

# 'Spy book' newspapers thwarted

courts

By Raymond Hughes, Law Courts Correspondent

THE PUBLICATION by three newspapers of extracts from the memoirs of former MI5 officer Mr Peter Wright was "a stark example" of criminal contempt of court, counsel for the Attorney-General said in the Court of Appeal yesterday. The Independent, the London

Daily News and the London Evening Standard had known that in-junctions were in force stopping the Guardian and Observer printing Mr Wright's allegations of secret vices treason and misconduct, Mr John Laws said.

They had gone ahead with publi cation "because they preferred their own view of the public interest to that of the court." In doing so they had usurped the judicial function

and thwarted court orders.

The Attorney-General, Sir Patrick Mayhew QC, was appealing against a High Court ruling clearing the three papers and their edi-tors of criminal contempt.

Mr Laws said that the injunctions against the Guardian and Observer had been designed to pre serve the "status quo of silence" and protect the Government's claim that Mr Wright's allegations were a danger to security until the issues were tried. The hearing continues

# Coal union prepared to consider 6-day shifts

BY CHARLES LEADBEATER, LABOUR STAFF

THE INTRODUCTION of radical changes to working arrangements in Britain's coal industry came a step closer yesterday, when the leader of the Nottinghamshire-based Union of Democratic Mineworkers (UDM), said the union was prepared to negotiate over the in-troduction of flexible shift patterns

to allow six-day coal production. The union was formed two years ago by mineworkers who opposed the leadership of the National Union of Mineworkers (NUM), the main coal industry union, during the year-long pit strike.

Mr Roy Lynk, the UDM president, speaking at its second annual conference, said the union was prepared to consider revised shift patterns, although it would not cast modernisation plans. old, five-day week agreement.
The UDM's willingness to consid-

British Coal's plans to modernise the industry, which have run into opposition from NUM.

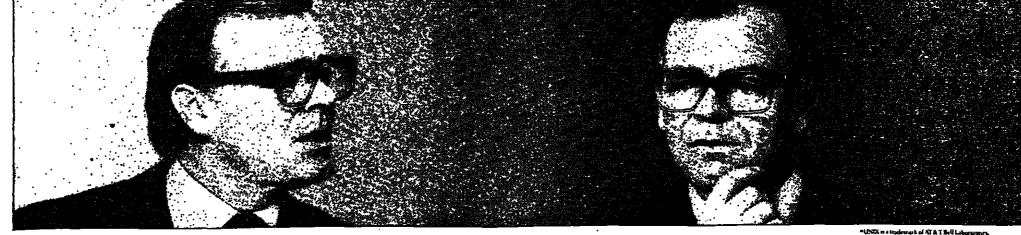
Under British Coal's proposals which are intended to allow more intensive working of costly new technology, miners would work longer daily shifts within a shorter working week or month.

Proposals for flexible shifts at the drift mine the corporation plans to develop at Margam, South Wales, have been strongly opposed by Mr Arthur Scargill, the NUM's presi-

Should the NUM's annual conference next month support Mr Scargill, it is likely that British Coal will turn to areas where the UDM is in a majority as the main targets for its

The corporation has already indicated that it is considering new working methods at two collieries it The UDM's willingness to consider flexible shifts, will be a boost for UDM is strong.

# 8 questions to ask yourself any more money on data processing.



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### **UK NEWS**

# Benefactor offers cash for drug case claimants

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

AN ANONYMOUS benefactor has tice Hirst said that just over 120 offered financial support to 500 ar-thritis sufferers faced with having to withdraw from litigation over the drug Opren because of prohibitive

legal costs.

The arrival on the scene of the mystery "Fairy Godparent" was re-vealed in the High Court in London yesterday when Mr Justice Hirst said that the intervention had "potentially revolutionised" the posi-tion of non-legally aided plaintiffs. Last month the court ruled that a

small number of "lead" cases should be selected to come before the court first, with the costs being borne equally by all 1,500 claimants, regardless of whether they were le-The ruling was a setback to non-legally aided claimants who had

hoped to ride on the back of the

Announcing a revised timetable for the litigation yesterday, Mr Jus-

Scottish assembly was an impor-tant issue among the people of Scot-

"It's an issue among politicians, it's an issue among the press. It

may be an issue among the public,

but how does one tell that on the ba-

sis of the actual evidence that is

available? he said in an interview

Mr Rifkind was commenting on

calls by the Labour Party that the

Conservative Government change

its policy on Scottish devolution and

set up a Scottish assembly in Edin-

burgh. A number of Scottish Con-

servatives have also said that their

party must adopt a pro-devokution

The calls followed the Conserva-

tive Party's dismal showing in the general election in which they lost

with the Financial Times.

BY JAMES BUXTON, SCOTTISH CORRESPONDENT

plaintiffs had discontinued the action - though not all because of the costs ruling - and the court had been told that, but for the providential intervention of the "Fairy Godparent, most of the remaining non-aided plaintiffs would have been likely to follow suit.

The judge said that a delay of a few months to enable a proper scheme to be formulated seemed a fair price to pay for ensuring that the non-legally aided plaintiffs were in a position to take full advantage of the "Fairy Godparent's" generosi-

Mr Justice Hirst stressed that no non-legally aided plaintiff could "absolutely count on support" until a proper scheme, with safeguards against, for example, unjustified rejection of settlement terms that a plaintiff's counsel advised were rea-

Rifkind cool on Scots assembly

Mr Rifkind said the Scottish Con-

servative party was engaged in a "genuine, internal and public analy-

He said the Labour Party, which

now has 51 of the 72 Scottish parlia-

mentary seats, a gain of nine, want-

ed the Conservatives to implement

Labour policies in Scotland, includ-

ing its policy on devolution. He said:

"I have not the slightest intention of

won the election on the Scottish

and Welsh strength of the Labour

the English constituencies had vot-

ed Conservative? If not, doesn't that

show how absurd the argument is?" Mr Rifkind said that out of the

"Let us assume that Labour had

doing this."

sis" of its policies in Scotland.

sonable, had been set up.

the court for approval on September 28 and 29; the deadline for plaintiffs to withdraw without incurring liability for costs would be extended to October 9 and the date for nominating the lead plaintiffs to November 6. The court aimed to make the final selection of lead cases early next year.

Applications by plaintiffs who had discontinued their claims to have them reinstated in view of the intervention of the unknown benefactor, would be considered on their

merits, the judge said.

After yesterday's court hearing Mr Rodger Pannone, a solicitor for the plaintiffs, said that it was nature" to reveal the identity of the benefactor.

The 1,500 plaintiffs are claiming damages for personal injuries allegedly caused by the side effects of Opren, which was withdrawn from sale in 1982 after it had been linked

"32 if you include journalists."

Twe always said that if in any

part of the United Kingdom there is

an obvious demand for some kind

of constitutional change then... the

Conservative Party would in due

But, he pointed out, the last such

demand had led to Labour's Devolu-

tion Act of 1978 which was rejected

Mr Rikfind resigned from the To-

ry front bench when it voted against Labour's devolution bill,

which would have involved a Scot-

tish assembly without tax-raising

by Scotland in a referendum.

course respond to it."

Party. Are they seriously suggesting that England would be spared tish assembly without tax-raising Labour policies on the grounds that powers and without an executive.

The decision to hold a board meeting in the US rather than at its Millbank offices in London partly reflects the increasingly international scope of ICI's business activities and in particular the spectac lar growth in the importance of the US.

ICI board

flies out

for US

meeting

IMPERIAL Chemical Industries

(ICI) will break with tradition by

holding its next board meeting at the New York Stock Exchange, the first time in the company's 61-year

history that its board has met outside the UK.

The board, including seven non-

executive directors, will convene in

New York tomorrow at the invita-

tion of the stock exchange. The company says there could be fur-ther board meetings outside the

By Nick Gamett

ICI has increased its sales in the US 15 times in as many years and expects turnover from there to be around £3.68bn by 1990.

It has spent more than £1.85bn there on acquisitions during the pest few years and employed 21,000 people in North America before the sale of Stauffer, the specialty chem-MR MALCOLM RIFKIND, Scottish

11 of their 21 seats in Scotland and
Secretary, yesterday expressed their share of the Scottish vote dedeep scepticism that a desire for a climed from 28 to 24 per cent.

2,000 to 3,000 people he had spoken their share of the Scottish vote deducing the election only three had raised the issue of devolution icals business, announced yester

> About 20,000 Americans now hold 12.5 per cent of ICI stock and a quarter of the total trading volume in ICI shares takes place in the US

> Mr Denys Henderson, ICI's chairman said yesterday, before the board left for a four-day visit to its North American operations: "ICI is increasingly international in its ac-tivities and while it will remain firmly a British-based company, it is determined to have a substantial manufacturing and selling opera-tion in the major markets of the

An ICI dinner before the board meeting will include Mr Malcolm Baldrige, the US Secretary of Com-

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Over the long term, Continental Europe is going to continue as one of the world's most rewarding places to invest. It is politically stable, and its well-established industrial base is increasingly moving to high technology.

Growing interest in new issues by leading local financial institutions has also made equity investment an exciting sector for investors. The success of the French privatisation programme is evidence of this trend.

With increasing demand on the equity markets, now is the best time to invest in Europe.

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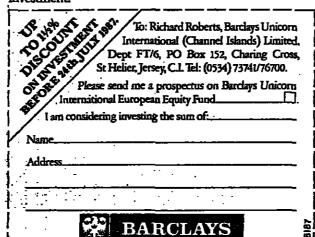
Islands and the Isle of Man. Our fund advisor is Barclays de Zoete Wedd Investment Management Ltd., who now successfully look after investors funds to the value of

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#### Company Notices

#### **UNILEVER N.V.** ROTTERDAM

CERTIFICATES FOR ORDINARY CAPITAL ISSUED BY N.V. NEDERLANDSCH ADMINISTRATIE-EN TRUSTKANTOOR **DUTCH CERTIFICATES** 

The undersigned hereby announce that the General Meeting of Shareholders of Unilever N.V. held on 20 May 1987 resolved to after the Articles of Association in that each of the Ordinary Shares of FI.20 nominal will be split into five Ordinary Shares of FI.4 nominal. As a result, the trust certificates (depositary receipts) issued for Ordinary Shares by N.V. Nederlandsch Administratie- en Trusticantoor will be split accordingly.

As from 29 June 1987, therefore, the certificates for Ordinary Shares should be surrendered for conversion into new certificates for Ordinary Shares to the head offices of Amsterdam-Rotterdam Bank N.V. Pierson, Heldring & Pierson N.V. Algemene Bank Nederland N.V. in Amsterdam and Rotterdam. In the United Kingdom and Ireland, Midland Bank plc, Stock

in the United Kingdom and Ireland, Midland Bank plc, Stock Exchange Services Department, Mariner House, Pepys Street, London EC3N 4DA will be responsible for exchange of the "K" certificates but not the "CF" certificates.

The certificates for the Ordinary Shares to be surrendered should — in the case of "K" certificates — be accompanied by dividend coupon No. 119 et seq and voucher. The certificates for Ordinary Shares will be obtainable in "K" certificate denominations of 1 x Fl.4, 5 x Fl.4, 25 x Fl.4 and 250 x Fl.4 nominal, and in "CF" certificate denominations of 1 x Fl.4, 5 x Fl.4, 25 x Fl.4, 25

The "K" certificates will be accompanied by dividend coupon No. 1 et seq.

Where the certificates for Ordinary Shares are tendered by a bank or stockbroker, they should carry on the face of the mantle a stamp showing the name of such bank or stockbroker. Certificates should be bundled by denomination in numerical sequence in quantities of 100. A duplicate list should accompany the exchange, one part of which should be firmly attached to the relevant bundle. Both parts of the list must show the total number of bundles that make up the particular exchange.

The Vereniging voor de Effectenhandel' (Securities Trading Association) has been asked to rule that, with effect from 29 June 1987, listing will be made for each certificate for Ordinary Share of FI.4 nominal.

In order to ensure that the surrender for conversion can be effected without cost to the holders of certificates for Ordinary Shares, the prescribed commission fee will be paid to the member of the Vereniging your de Effectenhandel up to and including 29 September 1987.

Those persons who surrender their certificates for Ordinary Shares to bank branches other than those mentioned above with a request for conversion into certificates for Ordinary Shares will, in accordance with the regulations of the 'Nederlandse Bankiersvereniging' (Dutch Bankers' Association), be charged the customary commission fee. **ORDINARY SUB-SHARES OF FL.12** 

As from 29 June 1987 holders of Ordinary Sub-Shares of FI.12 issued by Nederlandsch Administratie- en Trustkantoor in the name of Midland Bank Executor and Trustee Company Limited now Midland Bank Trust Company Limited who wish to convert their holdings into Dutch Certificates, will receive Dutch Certificates for three Ordinary Shares of FI.4 each for each FI. 12 Sub-Share surrendered. No fee will be charged for these conversions. UNILEVER N.V. N.V. NEDERLANDSCH

ADMINISTRATIE-EN TRUSTKANTOOR Rotterdam/Amsterdam

22 June 1987

# Hospital reports rise in City cocaine addicts

BY FIONA THOMSON

employees, according to Mr Tony £7080. McLellan of the £190-a-day Charter The Nightingale Hospital in West Lon-nies paying for their employees to

Mr McLellan, programme director for the hospital's addictive diseases unit, said yesterday that most in 10 minutes with a wrong deci of its cocaine-addicted patients sion." were high-income, high-flyers in in-

dustry and the City. Of the unit's 19 beds, an average of five to seven would be occupied by cocaine addicts. "Of these, five would be the City type," he said.
"We are seeing more and more peo-

berg."
Charter's treatment for cocaine

A GROWING number of patients addicts involves six weeks hospital attending private hospitals for co-caine addiction are City of London care out-patient treatment. It costs

> The cost does not deter compahave treatment, according to Mr McLellan, "An employee can cost

Dr Robert Friedell, medical direc tor of Charter Medical Corporation of the US, the hospital's parent company, said cocaine was a middle and upper-middle-class addiction. It was both physically and psychologically addictive.

ple coming in from this back-ground. It is just the tip of the ice-berg."

"People are very loathe to give it up. They all think I can handle it."
They are fooling themselves. The majority cannot handle it."

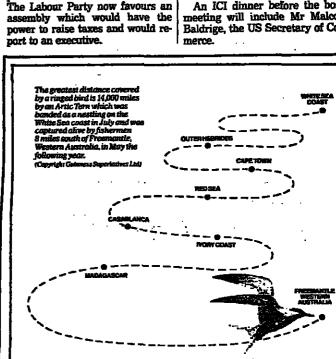
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### **UK NEWS**

# Nuclear companies link for reprocessing venture

BY DAVID FISHLOCK, SCIENCE EDITOR

A NEW British nuclear consortium, British Nuclear Technology, has been formed to exploit an international market for the technology of

spent fuel reprocessing and radio-active waste management.

British Nuclear Technology, based initially at the headquarters of British Nuclear Fuels (BNFL), at Risley in the north west of England, consists of BNDI and its firmanic consists of BNPL and its five main design contractors for its Sellafield factory in Cumbria, also in the

The five are Babcock Woodhall-Duckham, Costain Petrocarbon, Davy McKee Nuclear, Humphreys and Glasgow, and John Brown Engineers and Constructors.
The six companies are collaborat-

The six companies are collaborating in the design and construction of the £1.65bn thermal oxide reproduction cessing plant (Thorp) at Sellafield,

and associated waste treatment from undertaking parts of the de-projects intended to reduce the fac-tory's radioactive discharges to low Britain. France and West Ger-

contracts.

The chairman of British Nuclear Technology is Dr Bill Wilkinson, BNFL's deputy chief executive and director of spent fuel management

technology in two commercial reprocessing plants currently being designed in Japan and West Ger-

Dr Wilkinson said the fact that

levels in the 1990s.

Thorp, expected on-stream in 1992, has reprocessing orders worth £4.1bn, of which £2.5bn are export commercial designs based on this data remains proprietary and is ex changed under normal commercial agreements.

Another target of British Nuclear services. Technology would be the US mar-He said he expected to see BNFL ket for radioactive waste manage Technology would be the US mar-

Its first task was to make the range of technology based on BNFL research and development known to the international nuclear indus-try, Dr Wilkinson said, It would do this through the subsidiary and affiliated companies of the six members of the new consortium.

### **Engineering unions firm** on unified hours cuts

BY JOHN GAPPER, LABOUR STAFF

ENGINEERING employers must agree to implement phased cuts in working hours at 5,000 companies on that same date each year if a wide ranging deal on increased flexibility was to be reached, union leaders said yesterday.

Mr Gavin Laird, general secretary of the Amalgamated Engineer-

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ger...

ing Union, said that it was essential that the planned reduction in the working week from 39 to 37% hours was introduced in unified stages rather than by each company to coincide with its annual pay round. He said: "This is absolutely fund-

amental as far as we are concerned. If the employers do not agree to it, then in my opinion there will be no Mr Laird was speaking on the

eve of the Confederation of Shipbuilding and Engineering Unions' annual conference. Mr Alex Ferry, the confedera-

tion's general secretary, said that about 12 smaller differences remained between the confederation and the Engineering Employers' Federation over the planned agreement, but he believed these could

response on July 27, has said that the cuts in working hours should be implemented by each company in-dividually in half-hour stages over three years.

Mr Laird, the incoming president of the confederation, said that its affiliated unions wanted the reduction to come in two stages, in November 1988 and November 1989. "We have said no to three stages and we are very rigid about that,"

The confederation's conference is to discuss the agreement tomorrow and will consider a motion from the metal mechanics section of Tass, which represents white-collar work-ers in engineering, that the shorter working week "should not be at the expense of hard-won conditions and

The deal on increased worker flexibility has been under discussion for three years and has faced some opposition because of fears it could eventually lead to negotiating rights being taken away from unions which represent a minority of workers at local plants.

Several of the smaller differences The federation, which will be remaining over the agreement are meeting the unions again to give its regarded as matters of wording.

#### Call for action on London traffic

BY RALPH ATKINS

Forum, which represents community and business interests in Londons Docklands. The report, compiled by Dr Mar-

tin Mogridge, a research fellow at University College Transport Studies Group, London proposes extending rail links across the capital and into poorly-served areas. It also suggests introducing sub-stantial restrictions on car use in

central London and using the space The report sets out a transport

for buses or trams. plan for the whole of the capital for the next 40 years.

TRAFFIC congestion in London will be eased only if there is a massive investment in public transport, says a report from the Docklands

It says Londoners currently spend about £7bn a year on transport or about £1,000 per head on the cost of the proposed development. opments would only be a fraction of

> The report also considers the transport problems that could face London in the next century. Dr Mogridge predicts that cars will become fully automatic using radar, satellites and local radio cells to

that if spread over 40 years.

He also expects that space travel will become common

A strategic transportation plan for inner east London. The Dock-lands Forum, 192 Hanbury Street. London El 5HU. E2.

# channel 'feasible'

By Raymond Snoddy

THE GOVERNMENT is consider ing the possibility of more televi-sion channels in the UK as part of its review of British broadcasting.

A study commissioned by the Home Office into the viability of subscription or pay-per-view as a long-term alternative to the BBC li-cence fee also suggested there was room for more channels.

The study by CSP International (now part of Booz Allen, the US consultants) which is to be published soon, argued that there were enough VHF frequencies to operate a new national lifth television channel and that local television stations could be created using UHF fre quencies.

The study argued against the via-bility of subscription as a substitute for the licence fee but said that subscription could fund new services.

The BBC and the Independent Broadcasting Authority might run a subscription service after midnight, the report suggested, or a new fifth channel might be funded by sub-scription following the model of Canal Plus in France,

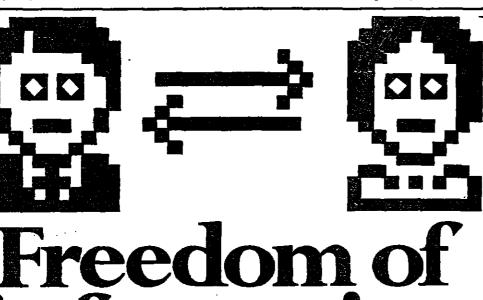
The study left open the option of vhether local city television should be funded by subscription or adver-

The Government was looking at the options although the Home Office has yet to be convinced that the frequencies could easily be made available to run additional services. able for local city television stations was seen as more likely than forming a new national fifth channel. Although the CSP study ques-tioned the viability of subscription

as an alternative to the licence fee, senior ministers were still keen to introduce some subscription into BBC funding if possible.

The possibility of new television

services and the role of subscription in British broadcasting are just two of the issues which have to be addressed before a new broadcasting bill is introduced into the House of Commons probably in autumn 1988.



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# **FINANCIAL TIMES**

Demand for new capacity has been a casualty of the world economic downturn and plant manufacturers

have had to compete for business in the developing regions. Meanwhile, the industry is improving its designs and providing more effective equipment to control pollution, as Maurice

Samuelson reports.

# Small signs of recovery

MANUFACTURERS of power Power station replacement generating systems have been among the main victims of the economic downturn of the past the relative pricing, availability 15 years. Some report tentative of various fuels and their signs of recovery, but for the environmental acceptability. 15 years. Some report tentative signs of recovery, but for the time being the picture remains

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Se Property Services

Thousands of jobs are involved in the design, construc-tion and installation of key components such as the turbines. boilers, nuclear reactors, switch gear, control instruments, and large machines for handling and preparing fuel. The capacity to build or assemble many of these items is important for countries aspiring to remain or become major manufacturing

But demand for new electric-ity capacity has been one of the most notable casualties in the downturn in economic activity of the past decade and a half. Electricity use—a sensitive index of economic activity—has continued to grow, but much more slowly than in the past.

programmes have been profoundly affected by changes in

In some countries, such as the UK, anxiety about nuclear safety has caused major delays predominantly gloomy.

Power stations are among the biggest civilian investment projects in the modern world. They represent a huge engineering consuming enormous ding the life of existing plant far hamond the original design special consuming special consuming and consuming enormous ding the life of existing plant far hamond the original design special consuming specia cifications. One of the few windfalls for the industry has been the steady rise in orders for gasscrubbing installations in response to the damage caused

by "acid rain."
With the slowdown in power station programmes in their own countries, the big plant manufacturers have had to look for business in the developing countries, especially those, like China, India and South Africa, which are rich in coal. In this way, they aim to stay in business



to put back their power programmes as they have fallen deeper into debt and have found it ever harder to borrow money for big investments.

The once booming Middle East market has been hit by the drop in oil revenues, the main exceptions being Saudi Arabia which has a five-year electrification plan, and Turkey. The markets in China and India are less promising than the scale of those countries' expansion plans since both are deter-, mined and able to supply many of their needs from their own big industrial resources.

The effect on the power plant way, they aim to stay in dusiness
nutil demand starts picking up
in their own countries.

Even so, the international
market has been pitted with
disappointments. Many Third
world countries, in South America and Black Africa, have had

of new capacity a year to less than 10,000 MW. All this has had a severe impact on power plant makers, as competition for an ever shrinking market forced them to hone their operations by ruth-less retrenchment, while improving their products and accelerating their delivery speed. They have also had to contrive ever more attractive financial packages drawing as much as possible on inter-national aid programmes and

entering complicated consortia with unlikely partners. The ensuing shake-up in the

tender crashed from 75,000 MW ket for these items was held by of new capacity a year to less West European countries. The Swiss-owned Brown-Boveri held 21 per cent of the market followed by West Germany's Kraftwerkunion (18.4 per cent);

> and Mitsubishi had 6.8 per cent. The two British turbinegenerator suppliers, CA Parsons (NEI) and GEC followed with 6.2 and 5.1 per cent respec tively, comfortably ahead of Japan's Hitachi and Toshiba and of the State-owned Soviet turbine builder.

Westinghouse of the US (11.1 per cent); the Franco-German

A decade later, with world export orders down by a third, the league table is unrecognis-able. The three Japanese comfive, with Mitsubishi out in front with 15 per cent. Although GEC had jumped to second place

Japan's Toshiba and Hitachi Soviet power plant organisaorders.

The rest of the West Europeans. West Germans. Ita-lians—were either in the mid-dle or lower half of the league with NEI, the only other UK turbine manufacturer, also well down the table. Some commentators see a link

between the success of indi-vidual companies and the level of financial support by their governments, including State aid for research and develop-

ment into power.

A report by Laing & Cruikshank, the London stockbroker,
pointed out last year that the
Government
willing " to Japanese Government appeared "very willing" to help its manufacturers with R

CONTENTS

Transmission equipment: Makers struggle with lack of orders

quest for efficiency

**tion control:** Big market for

ing that their own Government did not give them adequate help in enabling them to compete. Nevertheless, the pessimism should not be overstated. With the advanced economies steadily growing again, new generating capacity will be needed in the 1990s for which must

This is already occurring in Britain, where the power industry has been starved of domestic orders for a decade but where the increase in electricity demand is now outpacing the electricity industry's earlier forecasts and the Central Electricity Generating Board is finally poised to start its mixed programme of coal and nuclear programme of coal and nuclear plants.

While these are awaited, however, the biggest shares of business continue to be in other countries such as China and India which are steadily developing their huge coal and

electricity sectors.

China has so far placed over-seas orders for ten new power stations, six of them in the past two years. All except Daya Bay were for fossil fuelled stations. Most of the major international suppliers competer for this business, some of which went to other Communist coun-tries, such as the Soviet Union and Czechoslovakia. Among Western competitors, the three leading Japanese companies have all obtained Chinese

India, too, is a major market for manufacturers across the globe, including the Soviet bloc. And like China, India has its own power plant sector, dominated by Bharat Heavy Electrical (BHEL), which has won export

South Korea, too, where the

UK previously had a good foot-hold, has now become self-sufficient and its Hyundai company is expected to become a big exporter in the next five years. Among the European manu-

proposed EEC directive becomes law, possibly in about five years' time, this would mean that at the turn of the century, British, French, West German, Italian and Spanish become more difficul companies would be scrambling tain competitiveness. for work in each other's countries.

UK was releasing power station orders. The forthcoming UK ordering programme is being compared by CEGB veterans. with the hectic activity of the 1960s, when the Board built 44 coal or oil-fired units in ten years, tripling the country's generating capacity.

A sobering contrast between the present situation and that period is that while the UK then had seven boiler manufactur-ers, it is now left with only two— NEI and Babcock. There are now also only two UK turbine generators—NEI Parsons and

GEC—instead of six.

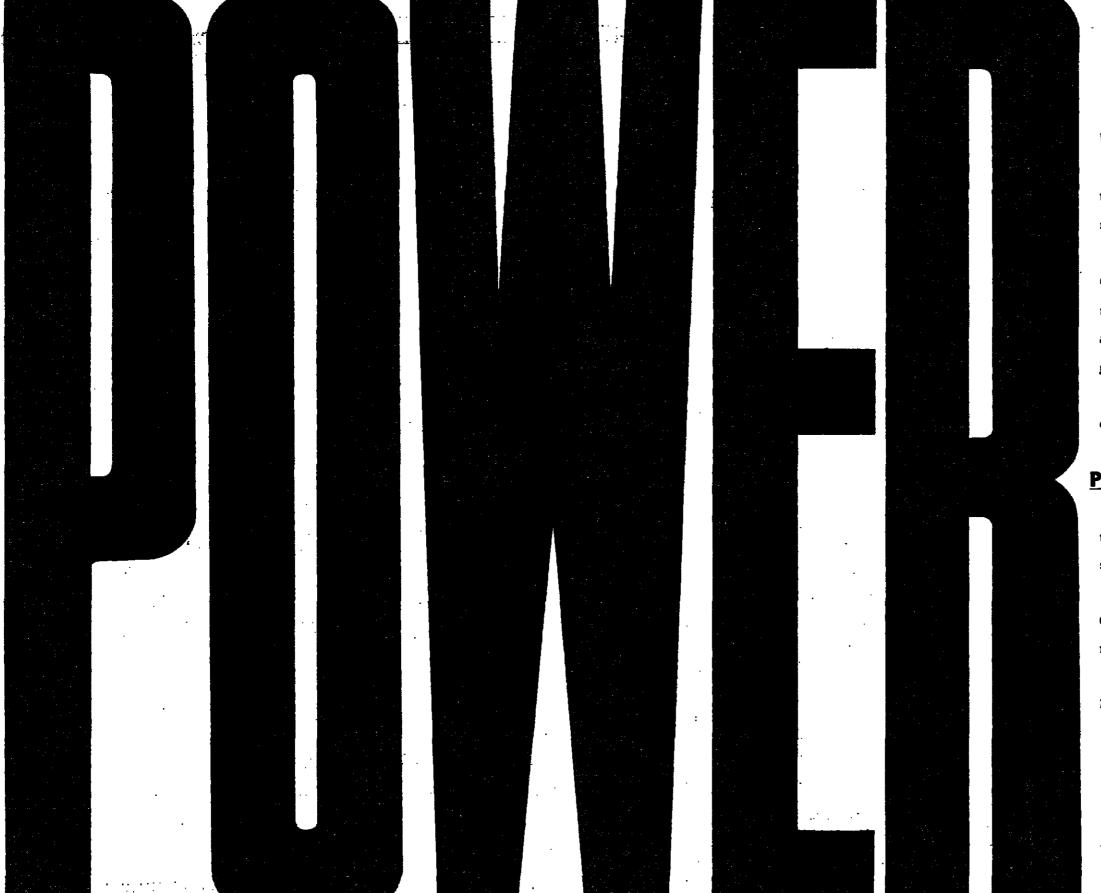
On the other hand, the UK industry is still a world-class competitor and has continued to develop in terms of the size of generating equipment in use. The standard size of generating units in UK power stations has been steadily stepped up from 30MW to the latest 660MW, which actually produce about 740MW when at peak load.

The two new coal-fired power stations for which planning per-mission is likely to be sought by the CEGB later this year will consist of two 900MW generating units, instead of three 660s. The new design, it is assumed, will be built faster and therefore more cheaply. UK manufacturers have been eager for some time to supply sets of this size— GEC is supplying 900MW turbines for China's PWR.

They should also benefit from the fact that much of the inter-national export business is for coal-fired power stations. Since their own domestic utility, the CEGB, is one of the world's big-gest and most experienced coal-burners, its newest power stations—such as Drax in Yorkshire—are showcases of advanced technology.

Meanwhile, the gloom is even deeper among manufacturers of transformers and switchgear. Last year's NEDO report on this Among the European manufacturers, rivalry will be sharpened by the prospect of a European "common market" in the level of the mid-1960s. But as power station components. If a proposed EEC directive the expansion programme of the level of the mid-1960s has a long life expectancy, demand would not pick up until demand would not pick up until the early part of the next cent-ury. As sales fell it would become more difficult to main-

That is why, even more than the makers of boilers and turand D funding and supporting financial packages. It quoted UK manufacturers as complain-







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Selling knowhow

# **Utilities share** their experience

POWER CUTS in Saudi are now a thing of the past thanks partly to the training that Saudi electricity employees have been given by British Electricity International, the overseas training arm of the UK electric-

ity supply industry. BEI is one of several consultancies set up by well-estab-lished electricity utilities to market their knowhow to less developed countries. Many, like BEI, also represent countries which are large manufacturers of power plant and therefore see themselves as scouts in the search for major investment

But there are also successful consultancies in small coun-tries, such as the Irish Republic. whose sole aim is to earn valuable foreign currency and pro-vide overseas employment for some of its own experienced which

Even some of the recipients of such advice, such as the power utilities in India and China, have enough operating kno-

worked in more than 75 countries to improve their electricity grew, it also supplied personnel supply and, working with UK to operate the client countries power plant suppliers, has plant while local staff were

helped to open up overseas marequipment

Compared with its big parent body it is a tiny minnow, its annual earnings of £16m matching the cost of two days' coal burn in the CEGE's power stations. Nevertheless, its importance cannot be gauged from its balance sheet.

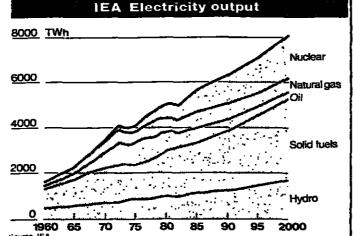
chairman of both the Central Electricity Generating Board and BEI, traces the consultancy's origins to the early 1960s when the UK electricity supply industry, having completed its post-war build up, formed a "spasmodic liaison" with the Tennessee Valley Authority of the US and Canada's Ontario Hydro.

"Acting as a triumvirate which met biennially, we started receiving spot requests for help as utilities in developing nations, especially former British colonies, started knockhave enough operating known to pass on to less-developed countries.

In the past decade, BEI has a "responding agent" for such

supply systems.

Mr Blackman admits that these studies have benefited not



only the host country but British

power plant suppliers, claiming for example that the system study conducted in India led to

the ordering of the giant two-stage Rihand power station.

However, it is still up to indi-

vidual manufacturers to win the

contracts against fierce com-petition on the open market.

Having done so, they prefer to claim the credit for themselves.

Mr Alan Havelock, its manag

ing director, also lists support for UK power plant manufactur-

ers as top of BEI's aims. He also emphasises its bid to be finan-cial independent and its role in assisting the career develop-

ment of electricity industry per-sonnel by offering them over-

Currently some 200 electricity supply industry staff are work-

ing on assignment for BEI with others providing UK-based ser-

For many of the clients, BEI is

availability of existing generating capacity. In India and

Nigeria. for example, the sys-tems are providing power for little more than 40 per cent of

The many projects it has undertaken include helping to

design, construct, operate, maintain and rehabilitate power stations, transmission

systems and distribution net-

Calling on the expertise of the

UK's area electricity boards, it has also provided management

skills in accountancy, and bill-

A special feature of BEI activities is to "twia" utilities in

developing countries with appropriate counterparts in

**Maurice Samuelson** 

ing of electricity consumers.

being brought up to scratch. That was the case in Saudi

About the same time, other utilities, such as Ontario Hydro. Electricite de France and Ireland's Electricity Supply Board entered the international consultancy field. The Russians. too. were busy supplying experts to countries where they were trying to establish their

influence. Since those days. UK electricity personnel have been recruited by BEI to operate plant in many other countries, including Nigeria. Zimbabwe. Botswana, Libya and the West Indies. When called into such countries, its first action is to offer a free study of the local

Nuclear systems

# Closer attention to detail

care being taken to make a sucpower programme can be found than the £3.5m Inspection than the £3.5m Inspection Validation Centre. This is a new suite of laboratories at the Ris-ley, Cheshire, centre of the UK Atomic Energy Authority, which was officially opened earlier

this month. its purpose is part of painstaking attention to detail which has not always characterised nuclear design and con-struction in the past

The new laboratory is devoted to validating the inspectors who will examine the most crucial parts of new reactors for flaws. The idea is to certify that the inspectors and the non-destructive test methods they use can find any flaw deemed to be of significance.

A panel of experts which forms the management advisory Sir Alan Cottrell, the Cambridge metallurgist, decides whether inspectors and their methods are good enough for the task

laboratory lies in the trouble it takes to deliberately make minuscule flaws and hide them in large sections of steel weighing up to 50 tonnes, for inspectors to try to find.

They have already done this for the kinds of flaw that may arise in the pressure vessel designed for the Sizewell B reactor. Now they are progressing to cover all parts of the high-pressure primary reactor circuit, including steam gener ators, pressuriser, pumps and

inter-connecting pipework.
French inspectors from Framaterials which will be used to fabricate the Sizewell B pressure vessel have already been certificated by the centre.

The net effect is that the cost of inspection of the Sizwell B pressure vessel is greater than the cost of forging and fabrication. The Central Electricity Generating Board has placed contracts with the new laboratory worth £28m. But the procedure is designed to ensure that hairline cracks as fine as 5 mm long in critical places and orientations are located and eradicated before the vessel enters service, and also if they

should develop during an expected 40-year working life. This kind of cost, accrued in the course of verifying the integrity of a reactor that is new to Britain at the size of 1,200 MW

The "British PWR "-pressurised water reactor—based on the Westinghouse PWR used by the Royal Navy since 1959, is the latest UK adaptation of an

American reactor concept which has found acceptance in most countries with a substantial nuclear power programme. It is also used by all nuclear-powered warships and sub-

marines.
It is a compact reactor, originally conceived to fit into a submarine hull. Its small volume for a given electrical capacity gives it an economic advantage over the much bulkier gas-cooled reactors pioneered by Britain.

The Layfield public inquiry which examined the CEGB's case for the Sizewell B PWR not only gave it unqualified approval on grounds of safety, it also broadly endorsed the CEGB's case for economic advantage over the latest ideas for an adved gas-cooled reactor (AGR), and over coal.

The case was founded on a single project. It begins to blossom if the identical designparticularly its safety-related features—can be used question whether the enthuunchanged for a series of new siasm of the CEGB's own powerpower stations. The CEGB talks ful engineering team at Barnof a "small family" of about five replicas of Sizewell B in England and Wales, roughly half of the additional 13.000 MW of new capacity the utility esti-mates it must bring-on-load

construction early in the 1990s.
If this can be achieved—and it is still a big "if" for there is every sign that each new nuclear project will be fiercely opposed, as was Sizewell B--it the British nuclear design and construction industry. It will be the first demonstration of replication of reactors in the

civil sector.

The industry has talked of replication ever since it settled had raised on for the AGR in 1965. The origi- for the PWR. nal Magnox reactor programme launched ten vears earlier was founded on replication of the 50 for Bradwell in 1962 to 600 MW

for Wylfa by the late 1960s. The AGR programme was ori-

absorbed by applying it to all replicated reactor based on the foreseeable nuclear reactors in winning 660 MW AGR design winning 660 MW AGR design which had beaten both US rivals the PWR and the boiling water reactor, in the 1965 reac-tor assessment. This was not to

One reason was that the extrapolation from the 33 MW experimental AGR to the 660 MW reactor of commercial size was too great and produced a number of false starts. In the event, the first 5,000 MW plant is based on three different designs, all extensively modified during construction and completion.

When an additional 2.600MW of AGR capacity was ordered in the late-1970s, it required a fourth design. This design. expected to come on-load for the first time this year, is likely to require further modifica-tion-notably in safety-related aspects-if further AGR capacity is added, as remains possible according to the CEGB.

There can be no question that pressure for design changes has come above all from the CEGB itself. although changing perceptions of safety have been an important factor. Many in the wood can be curbed efficiently to realise the full benefits of PWR replication of the Sizewell

But one growing pressure to minimise changes is that critics before the end of the century, opposed to nuclear power, and They would all need to be under to the PWR in particular, will see any changes as an opportunity to demand re-opening of the protracted PWR safety debate, and even another full-scale public inquiry.
The CEGB surmounted the

will mark a new departure for final hurdle to a start on-site in construction of Sizewell B early in June, when the Nuclear Installations Inspectorate accepted its proposals for the last of some 79 safety-related issues the nuclear inspectors had raised on the outline design

By the end of this year the CEGB expects to have placed major contracts totalling more MW reactors at Calder Hall. But than £500m. The biggest are the CEGB encouraged compet- with Westinghouse and its UK ing design teams to press hard sub-contractors for the primary for economies of scale, with the reactor circuit, with a conscrresult that reactor capacities tium composed of Aiton and rose rapidly from about 125 MW Babcock for highly-integrity pipework: and with Laing for the main civil construction.
The CEGB itself is managing

electrical capacity, can best be ginally envisaged as 5000 MW of the project-expected to cos

anout 21.500n—utrough a sub-sidiary called the Project Man-agement Board, under chair-man John Baker, board member responsible for design and construction of new plant. The PMB has a team of more than 400 run by Mr Brian George, project

director. Lord Marshall, freshly con-firmed as CEGB chairman for a further five years from next month, talks of needing the additional 13,000MW" to meet a steadily increasing demand for electricity and to replace Mag-nox stations and some of the

older coal-fired stations."
He sees Sizewell B as the first of perhaps five, providing 6,000MW of new nuclear capacity and an average of 25,000 jobs over the next 15 years.

This summer the CEGB hopes to apply for consent for the second of the group Hinkley C in Somerset, a site which already has Magnox and AGR stations. This time its case must include not only the site-specific safety features relating to Hinkley Point but a statement on the environmental impact, a new European Community require-

European Community requirement for all power stations.

Next year, after applications for two new coal-fired stations, it should be ready to apply for the third copy of Sizewell B. although where it will be has still to be decided.

Replication of the Sizewell design is expected to cut the price of construction by £300m in the case of an existing nuc-

in the case of an existing nuc-lear site such as Hinkley Point or Dungeness in Kent, and by site such as Druridge Bay in the North East, according to the CEGB's current estimates. The savings are mainly in non-recurring items such as the cost of establishing the Inspection Validation Centre. One further nuclear project

with which the CEGB hopes to proceed in the near future is its proposed dry store for spent nuclear fuel. The board has emphasised that this store represents no change in its policy of passing spent fuel to British Nuclear Fuels for reprocessing. But it would act as a buffer in the event of any serious hold-up

in reprocessing at the new £1.6bn thermal oxide reprocessing plant (Thorp) under con-struction at BNFL's Sellafield factory, and would also give the utility more flexibility in future

David Fishlock

#### National generating capacity plans (1977-78 to 1983) (Net Maximum Capacity, GW) 1983 Forecasts 1977-78 Forecasts Thermal Total Nuclear Total Nuclear Hydro Thermal Hvdro Canada 11.9 22.2 55.5 66.2 29.9 29.9 8.9 13.6 55.7 57.0 125.4 100.5 for 1990 Inited States for 1985 579.7 130.0 114.0 83.0 for 1990 203.6 106.3 130.0 87.0 767.1 33.2 38.5 33.0 24.5 34.0 177.1 16.5 23.0 124.2 1.3 3.3 United Kingdo 76.2 Source National estimates submitted to IEADECD



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continuous running record breaker in Canada, the machines powering the CEGB's most efficient plant and the machines that beat world-wide competition for Putau Seraya, Singapore. NEI Parsons supplied them all.

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Boiler designs inherently low in nitrogen oxide emissions and high in efficiency Flue gas desulphurisation plant From NEI International Combustion.

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Microprocessor-based



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sho power switchgear to ehv systems, distribution switchgear for all applications. NEI Reyrolle supplies the full range — a recent £36 million contract for Saudi Arabia its latest

#### The

transformers Power transformers, shunt and series reactors, and distribution transformers of all types from NEI Peebles. These big units are part of the cross-channel power

#### The cranes

Big coal unloaders for Castle Peak power station, Hong Kong, turbine hall cranes for Rihand, India, high integrity cranes of many types for nuclear plants rtdwide. NEI Clarke

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The Kennicott system of water and effluent treatment, installed in power stations throughout the world, precisely meeting the needs of widely varied conditions From NEI Thompson.

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Are echoed in all the other plant from NEI - boiler feed pumps, ash handling, protective systems, bushings, valves, remote handling, complete structural steelwork and much more.

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NEI has the unrivalled experience for providing plant throughout the world plus the skill and expertise to manage up to the largest turnkey projects. The complete power package from NEI.

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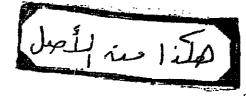
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### **POWER PLANT 3**

Transmission equipment

# A quest for efficiency

THE NATIONAL Grid, it is joked, is the largest electric bar fire in the UK.

The energy losses inherent in the world's largest integrated distribution network gives an incentive to innovate in order to improve energy efficiency. Customers are also expecting ever higher stadards of service.

ever higher stadards of service, safety and reliability.

This has given companies in the electricity distribution industry an incentive to build on existing technology and to seek new products that are cheaper to produce, more effi-cient and more reliable.

In overhead conductors operating above 33 kV there have been advances in the use of aluminium alloys. Aluminium is a better conductor than ost other metals but on its own is not strong enough to be strung between pylons, or more cor-

The traditional solution has been to use a steel core but this has increased losses. Now, using new production methods, aluminium alloys are being developed with greater current carrying capacity.

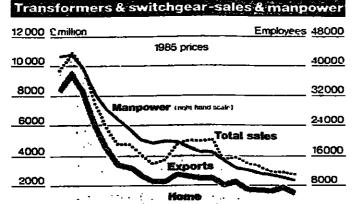
Towers are being redesigned to meet environmental and aesthetic criteria. Lines have to be carried safely in all weather conditions and under different loads. But by using statistical techniques, designers have been able to make towers smaller and keep within strict safety criteria.

Companies are also looking for developments in the design of insulators. Traditional glazed porcelain and steel devices could eventually be replaced by a composite of plastic and metal. The small size of these insulators would allow a more compact design for overhead

In lower voltage cables, modern plastics are replacing oil and paper as insulators. Crosslinked polyethylene has a molecular structure with good insulating properties and resistance to heat caused by high cur-

New cables using cross-linked polyethylene and designed to give out little smoke in a fire are being installed on the London Underground. The Central Electricity Generating Board is also testing it at 275 kV on a 300-

mile stretch in Essex.
On the distant horizon for cable companies are superconductors. These carry current with virtually no power loss but until recently they required very low temperatures.



In May, however, Plessey demonstrated superconductivity at temperatures more suitable for commercial applications. There are large obstacles to be overcome but superconducting cables could transform lectricity transmission.

70

1965

In power stations and sub-stations there have been improvements in switchgear and trans-

Switchgear-like normal electric switches—are used to redi-rect or interrupt current flows. Previously they have used oil or a blast of air to absorb the electric arc that is created when two contacts are separated.

Now these devices are being replaced with switches using vacuums or the inert gas sul-

75 the advantage of a lower initial cost and need less maintenance. Vacuum switchgear is limited to relatively low voltages although the Japanese have experimented at higher levels

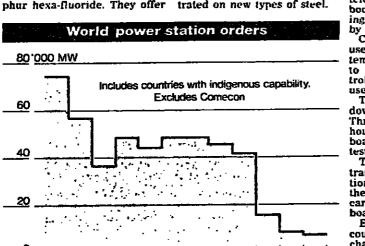
with vacuum devices arranged

in series. But so far the cost and

complexity have been prohibi-

Transformers are used to step voltages up or down. They consist of a conductor wrapped around a steel core. To mini-mise energy losses the core needs to have good magnetic properties but a high electrical

resistance. These properties achieved by using a laminate of steel and an insulator. Recent developments have concen-trated on new types of steel.



78

In Japan transformers have been developed using sheets as thin as 0.2mm. Laser etching is used to change the grain struc-ture of the metal to improve its

fficiency. British Steel has used a simi lar technique but using electric arcs rather than lasers. GEC, however, is currently manufacturing transformers made facturing transformers made from amorphous steel—a tech-nique originating in the US. Steel sheets about as thin as a razor blade are cooled rapidly—

dropping thousands of degrees in a fraction of a second. By giving it a random grain struc-ture the steel, which can be as brittle as glass, retains good magnetic properties but has a

high resistance.

high resistance.

Perhaps the greatest potential for increasing the energy efficiency of electricity distribution lies in the greater use of computer systems.

Already the CEGB is using

wire with a fibre optic core as an earth in many overhead lines, allowing remote control of the distribution network by

By using light instead of electromognetic waves to send sig-nals, optical fibres are immune electromagnetic interference

from other wires.

The system could also be used for telecommunications. Besides the cost advantage of only having to wire up one national network. fibre optics are secure from unauthorised monitoring and do not suffer from interference.

In the USh, private electric companies are now offering telecommunication facilities to boost income in the face of falling consumption of electricity by heavy industry. Computers are also being

used in energy management systems. These could be grafted on to existing computerised con-trol facilities to maximise the use of the fuel resources.

The systems can be extended

down to the domestic consumer. Three new systems linking houses with area electricity boards are currently being

The systems use either radio transmissions from BBC stations, the telephone network or the electricity supply itself as a carrier for signals from the Eventually a national system

could allow the area boards to change tariffs automatically and to switch off non-essential equipment when charge is high.

THE WORLD's manufacturers of turbine generators and boilers are hoping for an upturn in demand for power plant that should give them relief from the merciless pressures they have endured since the late 1970s.

Those pressures have caused a good deal of capacity closures. rationalisations and jockeying within the league table of pro-ducers, some of whom have been forced to hang on grimly. However they are also facing uncertainties other than that of

uncertainties other than that of worldwide power demand.
Changes in EC procurement policy scheduled for 1992 will abandon the present "rule" that power station plant supply in the Community's member countries is restricted to domestic suppliers.
The planned partial opening of these markets is already

of these markets is already causing some nervousness mong European plant builders used to protected domestic markets to see them through the kets to see them through the years of slim export pickings.
Another question surrounds the strategy of the Japanese. In turbines. Milsubishi, Toshiba and Hitachi have held three of the top six places in terms of the top six places in terms of the top six places. export sales in recent years. Mitsubishi has also been prob-

missions in as also been probably the largest supplier of boilers during the past decade.

Yet the Japanese makers are also suffering from heavy overcapacity, and with problems of the yen exchange rate, so that the rest of the industry wonder. the rest of the industry wonders whether they will remain the force they were. For some con-tracts, their prices are no longer

competitive.
The big US plant suppliers also seem to be changing tack. General Electric appears to show signs of wanting to get out of turbine making. It has a large number of licensee arrangements around the world and some observers suggest that GE will rely on these to maintain its presence in the turbine field.

Westinghouse though remains potentially large player for this type of equipment McDer-mott Babcock is still a significant force in the boiler market but seems to have been putting more effort recently into tur-ning itself into a contracting

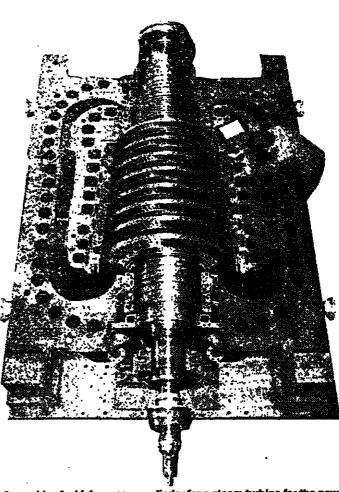
company.
In the UK, GEC which makes turbines, Babcok UK which manufactures boilers, and Northern Engineering Industries which makes both have had varying degrees of fortune. Like the rest of the world's mak-ers, their factories have considerable spare capacity even though GEC, in particular, has done well in export markets.

In the five years from 1981 it claimed second place behind Mitsubishi having secured 12.5 per cent (11,500 MW) of world

export sales.
All UK producers though will benefit now from the new UK

Turbines

# Many pressures and uncertainties



Assembly of a high-pressure cylinder for a steam turbine for the new Castle Peak power station in Hong Kong. The turbine sector still has too much capacity despite restructuring and closures, though investment in new tooling continues.

retrofit work for equipment to pile into overseas markets.
cut emissions from existing The competition is unlikely to

machine tools.

One reassuring trend for their weight

power station ordering prog-ramme. In addition, NEI and of any real attempt by Korean Babcock are expecting a lot turbine makers such as KHIC to

British power stations.

Taking turbines first, a number of manufacturers including occupied with its French Brown Boveri of Switzerland domestic market in the late have been forced to carry out 1970s and early 1980s but now substantial restructuring while appears to be re-emerging as an others like GE have closed some export competitor. The industry production plant. Many com-still has too much capacity panies though, including NEI while technological improveand GEC have continued to ments mean that turbines con-invest many millions in new tinue to produce an ever-machine tools.

If anything, more has been happening to the shape of the world's boiler production industry. This industry has two main licensors. One of them is Combustion Engineering of the US whose licensees include Mitsubishi, NEI and Bharat Heavy Electrical in India Rharat is subishi, NEI and Bharat Heavy Electrical in India. Bharat is now probably the largest boilermaker in the world. Combustion Engineering technology is reckoned to be involved in about 55 per cent of installed boiler capacity worldwide.

The other main licensor is Babcock, whose technology is used by all the Babcock concerns around the world which are now totally separate com-

are now totally separate com-panies. Unlike Combustion Engineering which uses "corner firing" — the burners located in the corners of the boiler — Bab-cock's system involves "opposed wall firing" with the burners wall-mounted.

Wall-mounted.

Hitachi is the biggest
Japanese company that remains
a Babcock licensee while 1HI. a Baccock Reensee white III.
another significant Japanese
maker, uses Foster Wheeler
designs. Of the big Japanese
power plant producers Toshiba
is not a mainline boilermaker.
This section of the power

plant industry has gone through a number of shake-ups but most

of the companies are still fighting strongly for business.

A few years ago Lentjes of West Germany purchased Burmeister and Wain of Denmark which had found itself

behmark which had found itself in difficulties.
Steinmuller, the West German family company and about the last remaining privately-owned mainsteam boiler maker, has been forced recently into some wholestick formula restructure. substantial financial restructur-ing. The company was hit by its dependence on the South African market

NEI rationalised three plants into one in the UK during the late 1970s and early 1980s while Babcock in the UK announced a redundancy programme last year at its big site in Renfrew, Scotland. This has gone hand in hand with major improvements in labour relations and productivity on that site. Both British companies say

they are now in a better position to meet market conditions over the next decade.

European manufacturers are

still wondering whether the Italian industry which includes Franco Tosi and Ansaldo will be rationalised. One of the strengths of the Italian industry is GIE, a grouping partly con-trolled by Ansaldo which brings Italian companies logether when bidding for contracts.

However, most companies say that the issue that still really clinches a deal is the financial package that consortiums can muster rather than the technol-

**Nick Garnett** 

# · GENERATING EXPORT SUCCESS

GEC Turbine Generators has won contracts for 11% of the world export market since 1980. This achievement has brought over 150,000 man years of work to the UK POWER PLANT industry.

GEC Turbine Generators has recently been awarded the contract to supply the turbine generators for Sizewell 'B' Power Station by the Central Electricity Generating Board.

**GEC Turbine Generators is** station designer and main plant supply contractor for over 4100 MW of power generating equipment

Castle Peak, Hong Kong.

for the Castle Peak 'A' & 'B' Power Stations in Hong Kong. Castle Peak 'A', owned by the Kowloon Electricity Supply Co.,

was completed ahead of schedule in 1985. Castle Peak 'B', owned by the Castle Peak Power Co., is scheduled to be completed in 1990, 6 months ahead of programme.

The following GEC Companies were also involved in Castle Peak

**AEI Cables** 

GEC Switchgear

GEC Distribution Switchgear

GEC Industrial Controls

GEC Installation Equipment

GEC Lamps and Lighting GEC Large Machines

**GEC** Measurements

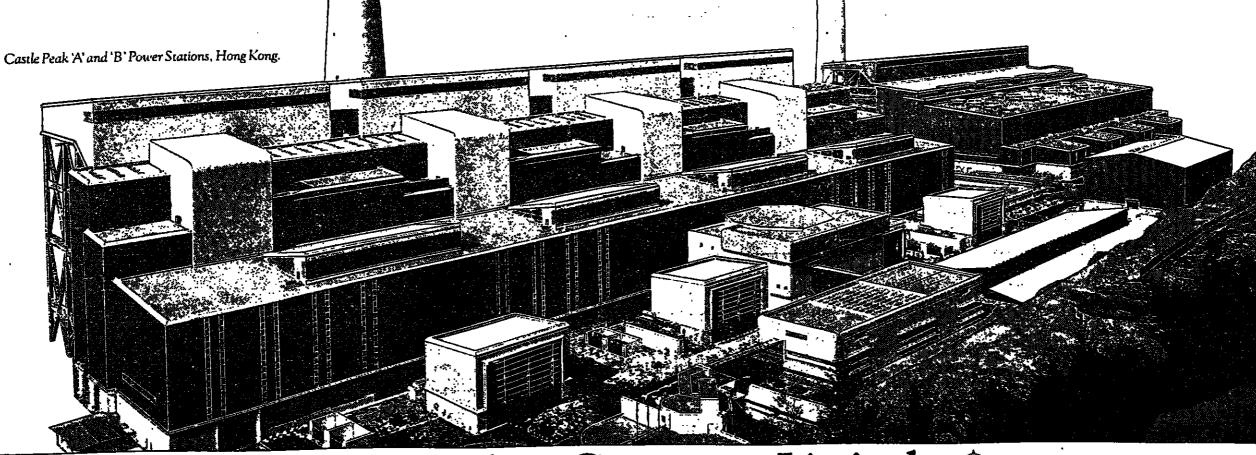
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# POWER PLANT 4)

tries. Government scientists of

the Advisory Council on Adv-

been at Grimethorpe Yorkshire, where the Central

developing what they claim to be the world's most advanced pressurised fluid bed station

boosted by coal gasification.
The scheme has already cost
£20m approved by the British
Government and EEC, and may

also attract some American

After numerous teething trou-

bles, a 5MW turbine is being designed for the plant which

could be running next year. But there will still be formidable

engineering problems in scaling it up to the big 500MW, 660MW or 900MW units characteristic of

present and future British pow-

There are, it should be added.

varying degrees of commitment to this kind of research among

different countries and the different commercial interests. In Britain, the CEGB appears to

be reasonably content with the

more impatient. It recently com-piled figures suggesting that Government funding of re-search and development into

advanced coal burning was only a minute fraction of that being

pent in other countries.
The figures, apparently ex-

tracted from a study by the International Energy Agency, suggest that while the British

Government in 1985 spent only

Maurice Samuelson

er stations.

Combustion research

# Getting the best out of coal

gave way to the Adalice of the Cooled Reactor which in turn is from conventional boilers, so being superseded by the Preslower grade coals can be surised Water Reactor, now the burned. most popular model among the nuclear industries of other

By contrast, fossil-fired power stations appeared to be a mature technology in which progress was synonymous with steady increases in the size and power of boilers and turbines. While nuclear generators while nuclear generators underwent qualitative transformation, the coal burners underwent only quantitative

perseded by nuclear power or, creasing relevance over the perhaps, both of them would next few decades.

give way to renewable "alternative" technologies which were ly underlined in March of this far superior in cheapness and

question is far from settled. Sci-states of the US. entists, engineers and power plant manufacturers around the world are keenly studying a group of combustion technologies which, if proved commer-cially viable, would greatly im-prove both the economics and environmental performance of on development of the Inte-

THERE HAVE been frequent changes in the types of nuclear reactor used by electricity utilities since they started using the atom for generating power about 30 years ago.

In Britain, the Magnox reactor gave way to the Advanced Gascooled Reactor which in turn is being superseded by the Pressional superseded by the Pressional superseded by the pression of the dangerous impurities emitted from conventional being superseded by the Pression of the dangerous impurities, so lower grade coals can be

The other related area of investigation involves gasifying the coal in a "combined cycle" which can use waste gas as a second source of heat for driving supplementary turbines. Both would be installed in ex-

isting coal-fired power stations.
Although they have attracted attention for a number of years, full-scale commercial application for power generation is still a somewhat distant prospect. But interest in them is suffi-Coal, it seemed, was doomed ciently widespread to suggest by science to be eventually suther that they will become of in-

year by the decision of President Reagan to seek \$2.5bn over environmental impact.

There is still a strong body of thought that, once rendered totally safe, nuclear power would hold the key to the future of the electricity supply industry.

dent Reagan to seek \$2.5bn over the next five years to develop what he termed "America's clean coal commitment." The main impetus was anxiety over acid rain pollution both among the US public and in neighbouring Canada, which is the unbapdustry.

Nevertheless. a growing interest in alternative coal burning methods suggests that the industrialised North East

grated Gasification Combined Cycle (IGCC), both of which can drastically reduce emissions of sulphur dioxide (SO2) and nitrogen oxide (NOx), the two main culprits in the formation of acid

In IGCC, which boosts power output with waste gas produc-tion during combustion of the coal, sulphur emission reductions of more than 99 per cent have been achieved at a Califorhave been achieved at a California demonstration plant. Pressurised fluid bed, in which the
combustor's internal pressure
is boosted from six to 16 times
atmospheric pressure, can
achieve 95 per cent reductions
have been achieved at a Califoranced Research and Development will shortly council on Auvment will shortly complete a
wide-ranging report on behalf
of the Departments of Energy
and Industry.

Britain's main investment has atmospheric pressure, can achieve 95 per cent reductions.

IGCC technologies can also reduce NOx emissions by 40 per Electricity Generating Board cent compared with conventionand British Coal are jointly cent compared with conventio-nal plant, while pressurised fluid bed can reduce NOx by up to 85 per cent. "Many of these retrofit and repowering options will be technologically available either in the late or early 1990s," says the US Department

On the economics of repowering an existing power station with IGCC, the Department adds that this would require an investment of \$1,100 to \$1,300 per kilowatt, but the cost of electric-ity would only increase by 1-2 mills per kwh because the re-furbishment plans would have a

higher power output.
New US projects include a 70 MW combined cycle plant to be built for American Electric Power at Tidd, Ohio and which has attracted \$16m worth of Federal and State funding. It will be built by ASEA-Babcock, which is also believed to have contracts to build similar plans in Sweden and Society. in Sweden and Spain.
Outside the US, some of the

hit by years of economic reces-sion, nowadays console them-selves with the thought that "it is an ill wind which blows nobody any good."

The ill wind is that which scat-ters pollution from coal and oil-

POWER PLANT manufacturers.

fired power stations and factor-ies over wide areas causing untold damage to lakes, rivers

most advanced work has been done in Japan, where there are two Integrated Gasification Combined Cycle plants said to be capable of powering 1,000 MW turbine generators.

In Britain, too, advanced combustion is being investigated by power plant manufacturers, and electricity, gas and coal industries. Government scientists of emit about 40 per cent into the atmosphere — is increasingly seen as the main threat to trees.

But the same "wind" has brought the power plant industry a rising volume of orders for equipment designed to eliminate this threat.

In many parts of the world.

new fossil-fired power stations
are given planning consent only
if they incorporate equipment to eliminate both sox and nox flue gas scrubbers, known as flue gas desulphurisation or FGD, or low nox burners.

Increasingly stringen environmental standards are also forcing the installation of these items in existing power stations. The FGD involves a major extension to the power station often adding a fifth to its

capital cost.

Most systems neutralise the sulphur emissions with a limestone sorbent, producing slurry or commercial grade gypsum as a by-product. The other main system — the regenerative pro-cess — offers a range of sulphuric materials for the chemi-cal industry.

The scale of the investment.

and its importance for the equipment suppliers is dramatised in the accompanying table. prepared by the International present pace of its research. Not Energy Agency's coal research surprisingly. British Coal is unit in London. It suggests that by the end of the century nearly 200,000 MW of generating capacity in 10 Western industrial countries will be fitted with

FGD.
Taking the UK estimate of £200m for the scrubbers on a 2,000 MW power station, that suggests a total investment of £20bn in these countries.

In the US, which is under

pressure both domestically and pp on R & D per tonne of coal from the government of produced, the Japanese spent neighbouring Canada to cut its 781p; Belgium 68p; Germany 34p; and the US 27p. tions between 1975 and 1985, as With the US and Japan in the Mitsubishi, which claims to part of a total coal de-sul- forefront of anti-pollution hold half the Japanese market

Decommissioning

Pollution control

# Big suppliers chase gas scrubber market

Flue gas desulphurisation progress (to year 2000)

	or under construction (MW)	Planned capacity (MW)	Total (MW)
Austria	1,500	1.100	2,600
Denmark		4.000	4,900
Finland	250	200	450
FRG	13,000	35.000	48,000
Netherlands	300	2,400	2,700
Italy	_	80	80
Japan	12,000	13.000	25,000
Sweden	450	550	1,000
UK		10.000	10,000
USA	55,000	44.000	99,000
Total	82,500	112,230	194,730

phurisation effort of some \$60bn Other ways of reducing emis-

other ways or reducing emis-sions are by washing the coal or avoiding high sulphur coals. The US is by far the biggest user of FGD in terms of installed capacity, and according to the US Department of Energy there are more than 140 scrubbers in its power stations, with 70 more under construction or planned. IEA researchers Jonas Klingspor and David Cope fore-cast a 31 per cent increase in FGD capacity in the US by 1992,

to reach about 100,000MW. applied in Japan, where it represents an equivalent generating capacity of about 45,000MW. In West Germany, about 85 per cent of current coalfired generating capacity has been fitted with FGD.

efforts, it is not surprising that their highly-successful power plant industries should also be leading suppliers of FGD and that their technology is widely licensed in other parts of the

This is reflected in several of the 12 to 15 consortia converging on the UK as it belatedly grasps the environmental nettle. Britain's CEGB, one of the world's biggest coal-burning utilities, is to spend £600m on retrofitting three of its biggest power stations, apart from the scrubbers to reach about 100,000MW. to be incorporated in all its new FGD is also extensively coal-fired power stations. However, as the following list makes clear, the Japanese and

the Americans do not have a total monopoly on sox or nox cleaning technology. Among the likely contenders for the UK FGD contracts are:

and to have won orders in the use won orders in the US and West Germany: NEI International Combustion is its.

UK licensee:
Babcock Hitachi, whose technology is licensed to Bab-

cock Power:

General Electric of the US, whose technology is licensed to John Brown. Currently it has 92 installations in the US, Japan, West Germany, Austria and the

Netherlands: • Foster Wheeler Energy has licensing agreements with Flakt of Sweden. a worldwide sup-plier of air pollution control equipment. The team offers two different FGD processes, one of which was developed by Pea-body Process Systems, a Flakt subsidiary in the US, and applied widely in the US; • United Engineering of the US, with a system being studied by Sim-Chem (formerly Simon Carves):

 Davy of the UK, which pioneered the Wellman Lord regenerative system and also has the European rights to a gypsum system using the USpatented Research-Cottrell

Davy's Wellman Lord technol-Davy's Wellman Lord technology is claimed to give it a clear lead in systems which give sulphuric byproducts rather than gypsum, the natural market for which could be swamped as gypsum-producing flue gas scrubbers proliferate.

Competition is also sharpening over ways of reducing the nox emissions, especially in Britain where the CEGB is to spend £170m on fitting 2,000 low nox burners in its 12 biggest plants, with a combined generating capacity of 23,000 MW.

Babcock and NEI are among the companies whose equip-ment has been successfully used during intensive trials. The NEI burners, applied to a corner-fired boiler at Fiddlers Ferry power station, Merseyside, are applicable to

7,000 MW of capacity.
The burners developed by
Babcock have been so successful that the company believes they have strong export poten-

Babcock claimed to be the first of their kind of exclusively British design, are to be tried out on one of the boilers of the CEGB's 4.000 MW plant at Drax, Yorkshire, over the next six months.

If successful says the CEGB, they could be the forerunner of a whole new design concept.

Maurice Samuelson

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for POWER PLANTS



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New use for old stations THE LIFE of a power station is ing both electricity and useable increasingly limited to that of heat, maximises the benefit concentrate on Battersea A, the plant it contains. The major-from fuel used. When electricity which was completed in 1933 ity of the 69 power stations is generated as the sole product, and is the more architecturally

For the new generation of to 85 per cent of the fuel energy 900MW units, an area approaching 50 ha would be required, for the power plant itself, cooling water facilities and space for construction.

But because many of the earlier power stations were built in central urban locations, the CEGB has been provided with prime redevelopment opportu-nities, particularly for housing, while the board is now moving into the decommissioning of larger power stations, increasingly on the outskirts of towns, mak-

ing the sites suitable for other uses, such as out-of-town retailing.
The process of redevelopment
can be a lengthy one. in some
cases taking up to 10 years from
the decision to close a power station. The board gives several years' advance notice of a sta-tion's closure and it generally takes three years for all traces of asbestos to be cleared from the site

the site.
The ensuing consultation between planners, the board and prospective developers also takes time. The local authority will be used to having a power station on the site, so often finds itself unused to dealing with the planning issues involved. Area electricity boards' plant or cables also have to be resited to

allow for redevelopment, with the CEGB meeting the cost. In a few cases, stations have found alternative uses, as grain silos, or for bulk storage, metal and timber processing or in some cases retail purposes. The CEGB has also been looking closely at the possibilities for converting existing power plant such as gas turbines as part of Combined Heat and Power schemes.

schemes.
The CHP process, by generat-

losed by the CEGB since 1977 at best no more than 40 per cent outstanding of the two station have been demolished and the of the fuel is converted into usesites sold for redevelopment. ful power. The rest of the energy The sites of pre-1950 stations is dissipated as low grade waste are themselves often too small heat. In the combined produc-for re-use by electricity boards. tion of heat and electricity, up

> within close reach committed to buy the power. At over £5/kw/ km, the laying of pipes from the plant to each customer can account for half the total capital

But Battersea, a Grade II listed building, is the only power station to have been saved largely for its architectural merit. Built in the 1930s, it is one of the last brick cathedals and, with its planned refurbish-ment, should survive another 60

years at least.
Battersea Leisure. a wholly-owned subsidiary of Alton Towers, bought the station earlier this year, and has planning permission to turn the building and its grounds into a £135m leisure centre by 1990, with funding from the Toronto-Dominion bank.

Battersea's four chimneys have made it as much part of the London skyline as the Houses of Parliament or St Paul's cathedral. But close inspection has revealed substantial decay. The revealed substantial decay. The station is suffering from the detrimental effects of rain, severe condensation, sulphur oxides and thermal movement.

All have combined to cause themses. All have combined to cause deterioration throughout, most

particularly to the brickwork.
mortar and steelwork.
The external fabric of the
building will be refurbished.
Where brickwork needs to be
replaced bricks will be manufactured from Etruria Marl, the
same clay used in the 1930s still same clay used in the 1930s, still available from reserves in Wor-

Interior restoration work will on the site. Battersea B dates from 1955. The interior of Tur-bine Hall A is decorated with finely-detailed faience tiling. Cast iron balustrading and

stainless steel handrails grace the edges of the hall. Station A's control room, with its Napolean marble and black Belgian marble, bookmatched walnut veneered panels on the control desk. and parquet flooring will be restored and re-ener gised. Entry to the control room will be through the original bronze doors with their embos-

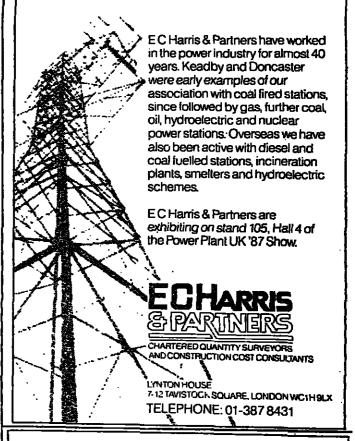
sed sculpture relief depicting When complete, the develop-ment will consist of three major atria spaces. The central area, known as the Main Gallery, will provide seven areas of leisure space. At Main Concourse level will be a 50m long ice lake for skaling, and, at the northern end of the building, a cascading waterfall, a parachute drop from roof level and an ascen-ding complex of escalators, interchanges and glass-walled

A dynamic motion theatre will create the illusion of participation in car-chasing and roller-coaster riding. A "Magic Room" will roll over 360 degrees to give what Battersea Leisure bills as "the ultimate white knuckle" ride experience. A Water Rapids Ride will start in the building, and shoot the rapids to

This rather different Battersea, with its restaurants and shops, is expected to attract 3.5m visitors in the first year, create 2.500 jobs in the first phase rising to 4.500 when the complex is fully operational.

Alastair Guild

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#### AIRLINE INDUSTRY

Rami Khouri on a change in strategy by Jordan's soon to be privatised national carrier

# Royal Jordanian takes on Third World pack

Audacious and ambitious as this may seem for the carrier the back of the plane with of a small country at the heart tourists, students and transit of a smell country at the heart of a notoriously turbulent region, such a move is very turbulent to the its to the its transfer of the its transfe region, such a move is very by price appeal.

when the 23-year-old stateowned Jordanian air carrier
started this year with a new
name—Royal Jordanian, replacing the more cumbersome Alia,
the Royal Jordanian Airline—
as well as a sleeker new livery
and corporate image, it
signalled its intent to emerge
from the pack of Third World
airlines and compete aggres
and tourist travellers.

venient, one-step connections at
Amman's modern and very efficient Queen Alia international
airport, to carry passengers
travel agency, an airport hotel,
the Amman duty-free shops, an
travelle East, the
simulators, an aircraft mainteneously implement a doublepronged strategy of wooing the
demanding business travellers
with better service and convenient connections, while filling up ent connections, while filling up passengers attracted primarily

the east. The company made a profit of JD 1.8m in 1985 (due largely to the sale of two planes), on a total of 1.29m passengers carried and 42,573 tons of cargo. Its 1986 accounts, due this month, will show it just about breaking even or making

While Royal Jordanian's fleet and business plan are being revamped, so will its balance sheet and equity structure. Now Under the corporate re-organisation plan now under-way, the holding company will Royal Jordanian plans to sell still be named Alia, the Royal its shares gradually to private

it now pays annually in loan interest, principal and bank charges.

A US Agency for international Development-financed preliminary feasibility study of its privatisation prospects concluded earlier this year that the airline is a private candidate to go private By the end of this year, it plans to sell 30 per cent of its shares to the Jordanian public and 10 per cent to its employees, probably with a 7 per cent guaranteed annual dividend for a certain number of years. Next year, another A US Agency for inter-



20-30 per cent of the shares will be sold to Jordanian and other Arab investors, with the Government expected to maintain 10-15 per cent and the balance being offered to inter-

Spurred by intense competiof the Jordan River.



tion from the 22 international carriers that fly into Amman. including most quality Euro-pean airlines, RJ is expected to continue developing the several market niches that have served it well: a hub-and-spoke network offering businessmen and holidaymakers convenient connections to most Middle Eastern capitals and destina-tions in North America, East and West Europe and Asia. It will also keep attracting ethnic Arab traffic abroad, expatriate Jordanian and Palestinians, and foreign tourists seeking Holy

Global airline industry deregulation and its own privati-sation mean RJ must become a leaner and more efficient car-zier if it hopes to live up to its new corporate image end its This will wipe out its \$300m self-styled business goals. of outstanding debt and give it Greater efficiency and marketa comfortable cushion of work- ing sophistication are also seen ing capital for at least two to be vital to offset the con-Only Montreal Delhi and ing capital for at least two to be vital to offset the con-Calcutta will be added this year years. Selling and leasing-back straints of its small bome to a network which stretches its planes will significantly ease market, a relatively overstaffed from Los Angeles and Chicago cash-flow pressures, as annual workforce, high costs, and its Essential information for corporate treasurers, financial directors, bankers, auditors and other advisers involved in the volatile financial market.

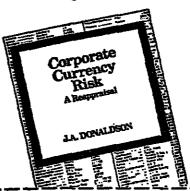
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#### POYAL JORDANIAN واللبت المالك والمالك المالك المال

much in keeping with the airline's track record of two-to-three years to be phased countering its inherent in completely, as at least six constraints by innovation and aggressive expansion—and it is craft join RJ's Lockheed Triaggressive expansion—and it is taking a large corporate step forward this year with the start of its privatisation strategy.

Since its establishment with a single airplane in 1964 by an entrepreneurial Lebanese engineer, Ali Ghandour, upon the divertices of the young taking a large corporate step stars and Boeing 727s and 747s. forward this year with the start The business and first-class of its privatisation strategy.

engineer, Ali Ghandour, upon the directives of the young, aviation-minded King Hussein, Royal Jordanian has grown on the basis of fare-driven market stimulation, niche exploitation, and Jordan's pivotal location as a strategically located Middle Eastern hub for business and tourist travellers. It started this year with a relatively young fleet of 19 aircraft, serving 42 foreign destinations.

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Last year it carried 1.1m passengers, down from 1.32m in 1985, due to a dip in tourist and business travel in the Middle East.

Mr Ghandour, still chairman and chief executive has noted that the airline's new livery and name change were designed to reflect a deeper change in its business strategy and in the market niche it seeks to consolidate—as a high quality, service-oriented carrier catering to the needs of the business traveller flying to, or through, the Middle

"We've always sold our geography," he said, referring to RJ's penchant to combine

of special new facilities and ser vices, including revamped check-in counters, limousine service, private lounges, VIP clubs, a frequent flier programme, express baggage handling, better meals and seats, sleeperettes, sleeping bunks, and much higher on-board service stan-

"We'll need about two years to complete the personnel training, and to insti) the new cor-porate culture and identity throughout our entire staff," Mr Ghandour said.

Airline industry observers in Amman are watching the air-line carefully to see if its performance can match its promise. Everyone in Jordan is mindful that during its brisk growth era in the late 1970s and early 1980s, RJ's ground and on-board service standards were highly erratic, swinging widely between excellent and mediocre. This clearly re-flected the absence of a corporate culture that permeated all staff members, due to insufficient management and quality controls, the inherent hazards of brisk growth, and the needs to recruit many foreign cabin crew.

competitive pricing with con-self expanding rapidly, but Bangkok and Kuala Lumpur in will be less than half the \$120m its international competitors.

Jordanian Airline, and will own the airline and all the sub-sidiaries, while the airline itself will be spun off and privatised under the new name of Royal

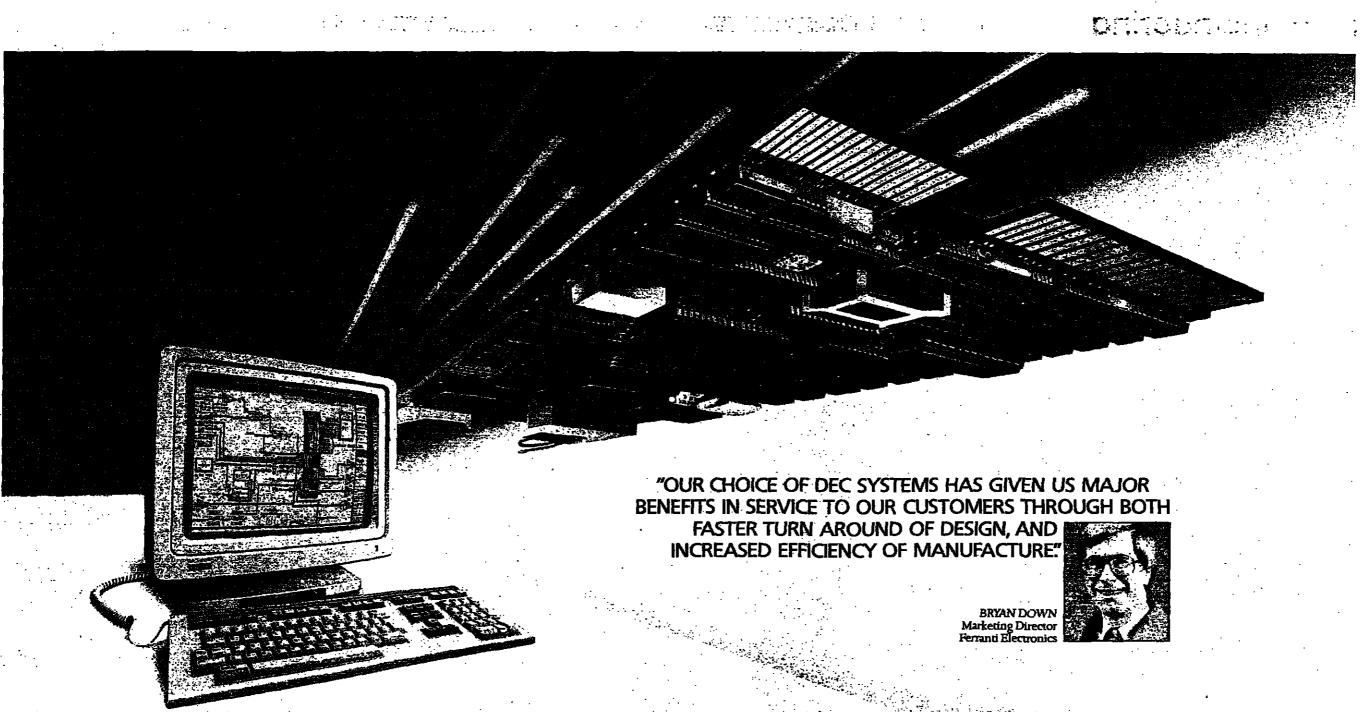
Mr Ali Ghandour, chairman of Royal Jordanian-needs two

years to instil the new corporate culture

After sustained growth that averaged over 22 per cent a year during the past decade, year during the past decade, with only three unprofitable years in the past 14, expansion will be minimised during the next two years in favour of consolidating RJ's existing net-

Not only was the airline it- in the west to Singapore, leasing payments of \$50m-\$55m own small size compared with

investors over the next few years. To strengthen its capital base (it has assets of over \$680m but a high debt to capital ratio of more than 8:1), RJ will soon agree with one of several companies it is negotiating with to sell and then lease-back its eight Lockheed TriStars and three Boeing 727s (though not, for the moment, its two Boeing 747 Jumbo Jets).



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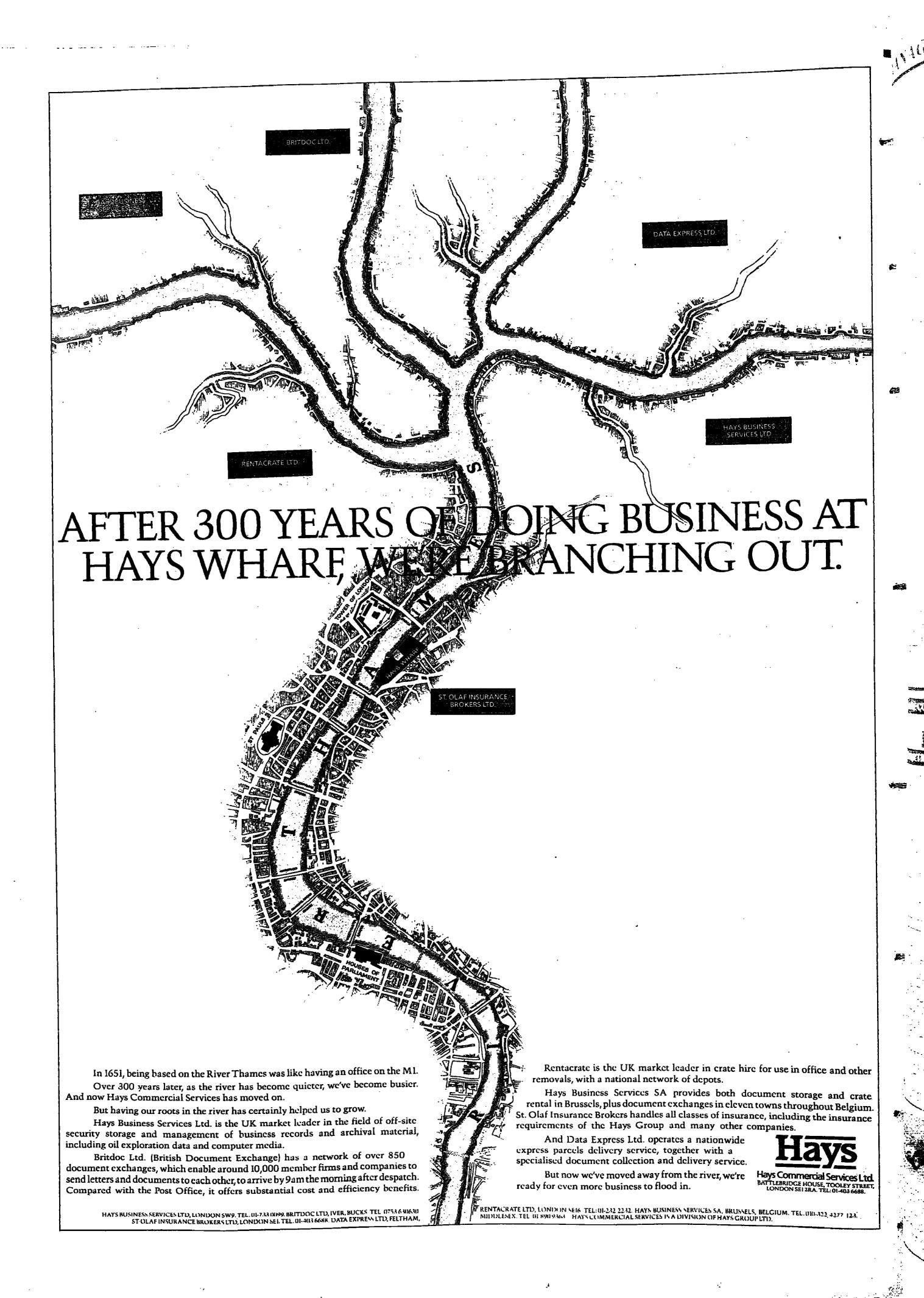
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JOHN WRIGHT, founder and chairman of Resdev, a small Halifax-based manufacturer of epoxy resin compounds used for factory floor coverings, had always been put off the idea of exporting by the cost.

Jan Heinink, technical mana-ger of Unipro, a Dutch manu-facturer of flooring compounds and adhesives based in Hasks-bergen near Enschede, had been seeking a technology deal with a foreign company, though not necessarily a British one, for some time.

Six weeks ago the two com-panies signed a co-operation agreement. Resdev, which employs 12 and has annual turnover of £1m, will exchange its specialised knowledge of indus-trial floorings for Unipro's expertise in decorative finishes.

The British company gets a

a per cent commission on any sales Unipro makes and is also supplying Unipro (turnover FI 20m [£6m] and 32 employees) with a compound which uses raw materials not available in the Netherlands. The two companies were brought together through an ambitious and controversial European Commission initiative aimed at establishing a network of Business and Innovation Centres (BICs) throughout the

Resdev was given a European push by the new Calderdale BIC which is being set up in Halifax while Unipro was prompted by the Bedrijfs Technologisch Centrum Twente, a four-year-old BIC based on the business and science park in Enschede.

Calderdale and Twente are part of a four-way data link-up which takes in two other BICs, Promotech in Nancy, France, and SOCRAN (Societé de Création d'Activités Nouvelles) in Liege, Belgium. Ultimately all BICs throughout Europe will

be linked. The speed with which crossborder contacts are being formed has surprised and delighted the BICs although international co-operation is only one of the aims of the European Business and Innovation Centre Network (EBN), the Brussels-based umbrella

organisation. Christopher Norman-Butler, EBN's executive chairman, describes the centres as "science parks devoted to launching viable and innovative small companies." Typically the companies they back will employ between five and 10 people—they do not support the lone inventor—and require venture capital funding of £50,000 to £100,000.

aim is to bring the company to centres.



# A Euro-network for nurturing enterprise

Charles Batchelor on the role of Business and Innovation Centres

the point where it can obtain a stock market quotation.

By rigorously selecting companies before giving them back-

ing and by watching them closely once they get started, the BICs hope to reduce the failure rate to just 20 per cent in the first five years, well become the started for the property for all comlow the average for all company start-ups.

BICs are part of the Euro-pean Commission's efforts to promote smaller enterprises and to overcome the technology gap which has opened up be-tween the community and the

But are BICs the answer or are they just another example of Brussels meddling in matters which the individual member countries are quite capable of handling themselves? BICs have been deliberately modelled on the more successful Euro-pean and US science parks and even include science parks, such as Aston in Birmingham, among their founder members. In addition, Britain already has its own 13-strong innova-

tion centre network grouped launching between ten and 15 under the Association of Innovation Centre Executives (AICE), more than 300 (admittedly lower tech) enterprise agencies and several hundred managed workshops. Most other countries in Europa are also parks have provided advice and support to launch innovative new companies, many have been industrial estates by another countries in Europa are also

The European Economic and Social Committee, which represents the views of employers, trade unions and other interest groups, recently warned the Brussels commission against duplicating existing national programmes and called for a close monitoring of the BICs' achievements.

Harry Nicholls, chief executive of Aston Science Park, says:
"We now have half a dozen
bodies which have arisen from
individual initiatives. They have all been set up in the past two or three years because people around the world all saw the same problems. It is time we brought them all together." EBN's Norman-Butler agrees that there has been a "muddle of titles" but claims there is a role for the BICs among all the other competing organisa-

The difference is in the scale of our operation," he says. "The BICs are tackling what the enterprise agencies and the managed workshops cannot. A BIC should be capable of

The centres, which are linked to a nearby university or polytechnic, provide technical, financial and management advice as well as premises. The aim is to bring the company to

three years.

While the early members were existing organisations which adopted the BIC label. purposedesigned centres are now springing up using a manual of "best practice" which has been drawn up by EBN.

The centres will be financed by local industry, the public sector and by Brussels, which will meet half of the cost of centres set up in the EC's assisted areas (those in other areas must do without comareas must do without com-munity funds). But the aim is to make the BICs financially self-supporting after five to seven years. They are expected to draw income from renting premises and royalties and minority shareholdings in their successful client companies.
But it will be difficult to

charge young companies a realistic consultancy fee and spotting enough winners to pro-vide a substantial income from royalties will be equally tricky. BICs might be tempted to back safer, less innovative companies simply to guarantee an income, The Planning Exchange, a specialist Glasgow-based con-

sultancy, warns.
Whatever the longer-term uncertainties, though, existing members of the BIC network

As for the AICE innovation

centres, Ken Donaldson, secre-tary of the organisation, agrees

that his members have a

they help are individuals with

they are often best advised to

licence their product to an existing manufacturer rather

than set up a company to do

The first test of how the

different organisations co-exist

could come at Calderdale which

has decided to set up a BIC as

tion centre and high-tech train-

Norman-Butler also rejects

the charge that EBN is a

bureaucratic organisation.
While it expects to pump f100m of the commission's money into BICs over the next

few years it has an executive

team of just six people in

came from the European Com-

mission's directorate-general

for regional policy in 1983. By November the following year a group of 12 existing science

The first plans for BICs

ing and information projects.

it themselves.

Brussels,

good idea but no money and

different clientele and a different way of solving their problems. Many of the people Robert Frederic, head of SOCRAN, says the financial backing his organisation has received from Brussels has been invaluable. "EC finance allowed us to establish the proper links with Calderdale, Twente and Nancy. We might have tried to do something like that on our own but it would have been a much more amateur effort."

His counterpart at Twente, Gijsbrecht van Driem, echoes this view. "EBN support helps us to get subsidies. It acts as an umbrella organisation for existing initiatives. These include an AICE-style innovaa seal of quality and channels community funds to this sort of centre more quickly," he

John Blackburn, head strategy at the Borough of Calderdale, says the BIC frame-work, with its ultimate goal of financial self-sufficiency, gives a more commercial look to a local authority initiative. "It's im-portant we create the right forum to link with private industry and make local companies realise they are part of the European market."

EBN, Rue Fraissart 89. Bos 5, 1040 Brussels, Bolgium; AICE, PO Bax 6, Beverley, North Humberside, NU17 7RL; Borough of Calderdale, Chiof Execu-tive's Department. Town Hall, Halifar. HX1 1VJ: BTC Twente, Postbus 545, 7500 AM Enschede, The Netherlands. parks and innovation centres had been formed into an em-

# Growth since then has been rapid and there are now 45 members throughout the community. With the exception of Greece and Luxembourg, every country has one and EBN hopes to expand into Austria and Turkey. It plans to add another 60 to 80 centres over the next three years. JOHN COPE, the UK's newly-appointed Minister of State at appointed M

JOHN COPE, the UK's newly-appointed Minister of State at the Department of Employment, emerged last Thursday as the minister responsible for small firms policy following David Trippier's move to the Department of the Environment.

As a minister of state, Cope is one step further up the ministerial ladder than his predecessor but is still not in the Cabinet a level of seniority for which a number of the small business organisations have been lobbying.

The decision to leave small firms affairs at the Department of Employment now that Lord Young and Kenneth Clarke have both moved to Trade and industry has puzzled many. This move appears to leave the small firms minister cut off from the two senior ministers most closely involved in many aspects of the enterprise

And while Lord Young and Clarke will be involved in the regeneration of inner cities, the small firms expertise which forms an important part of this

In brief . . . A BOOKLET to help smaller firms apply for defence research funding has been produced by the Ministry of Defence as part of govern-ment efforts to assist them to

win defence contracts.
The MoD commissions about £150m worth of research work each year in industry, universities and colleges and has set £1m aside to back its Small Firms Research Initiative.

The initiative was first launched last November and has already produced a flow of applications but the book-let goes into greater detail on suggested research topics and on how to apply.

For copies write enclosing sae to MoD CS(PS)2 Gen, Strathville Road, Wandsworth London SW18 4QU.

A FUND which will concentrate on investment opportunities in China and Hong Kong has been set up by Orange Nassau, a Dutch ventral company with ture capital company with operations in the US.
ChinaVest will join with Western and Asian partners to take minority shareholdings in companies based in China with the companies of the companies with the companies of the companies with the companies with the companies with the company with the

China and Hong Kong which are engaged in service and light manufacturing activi-ties. The fund has an initial



programme has been left at the Employment Ministry. One suggestion last week was that the original intention had been to move responsibility for small firms to the DTI with the Fowler, the new Employment
Minister, lobbied successfully
for it to be left where it was. Cope, who is 50 and a

\$12.25m to spend but will limit individual investments to under \$1m.
It will invest in companies

which alloviate bottlenecks in the industrial and service sectors in China and in light manufacturing
which increase China's exparts,
Apart from providing fund-

Apart from provining runding, ChinaVest alms to help companies establish enterprises in China, assist in technology transfer, recruit staff and provide financial and strategic advice.

It has already made two investments, in a freight for-warding and storage company operating on the Chinese mainland and in a company based in China and Hong Kong which designs and makes televisions and TV

PROJECT NORTH EAST, the Newcastie-based enterprise agency, has produced a Youth Business Kit consisting of four training courses aimed mainly at young people thinking of starting a busi-ness. There is a fifth course, the Enterprise Option, aimed at those in regular contact with 16 to 25-year-olds and also a pack of loose-leaf fact sheets giving background in-

The training packs contain guidance notes on how to chartered accountant by training, has a long-standing interest in the small firms sector, though less of a practical involvement than his prederessor who took the initiative in setting up one of the first local enterprise agencies in his constituency of Rossendale.

The new minister co-authored a pamphlet on small firms, Acorns to Oaks, in 1969 and was vice chairman of the Conservative back-bench committee on small business until 1979. He is a vice president of the National Chamber of Trade,

Chamber of Trade,

Government policy on small firms has moved away from direct intervention in the form of new support programmes and the emphasis has switched to such as cutting taxes and reduc-ing the administrative burden of VAT.

But the various small firms organisations still have a lengthy list of demands for improving the business climate. How the new minister interprets his brief and the freedom he has to push any new policies remain to be seen.

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notes and master copies of handouts and acetates for analysis of the projectors. The overhead projectors. The package can be used for a complete Start Your Own Business Course or as a series of separate courses. Prices of the individual

managers planning a buy-out of their business has been launched by Spicer and Pegler, City accountants.

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plans but by frustration in not knowing where to turn first, exacerbated by the need to act in great secrecy."
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9

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# FT LAW REPORTS

# Laytime runs from final entry

PRESIDENT OF INDIA V
DAVENPORT MARINE
PANAMA SA
Queen's Bench Division
(Commercial Court): Mr Justice
Webster: May 21 1987.

WHERE LOCAL law of port of discharge provides that a vessel cannot unload before final customs entry is granted, charterparty terms that lay-time begins to run after the ume begins to run arter the vessel has been "entered at tenstons house" mean that time runs after final entry and not after application for

Mr Justice Webster so held when allowing an appeal by the President of India, charterer of the Albion from an arbitration award in favour of shipowners, Davenport Marine Panama SA,

34, which provided that time was to count from 24 hours after receipt of notice of readivessel also having been

ness, "vessel also having open entered at customs house..."

A discharge clause in identical terms had been considered by Mr Justice Bingham in the Apollon [1983] 1 Lloyd's Rep 409, and by Mr Justice Lloyd in the Delian Leto[ 1983] 2 Lloyd's Rep 406 The discharge port in those

two cases was Bombay. In both Bombay and Madras there was

Bombay and Madras there was a customs procedure which consisted of a preliminary stage and a "final entry" stage.

In both cases and in the present case, the arbitrators decided that the vessel had been "entered at custom house" when the preliminary stage occurred. In the Apollon stage occurred. In the Apollon and the Delian Leto, the court upheld those decisions. Both cases lacked a finding that discharge prior to final entry was illegal because of sections 30 and 31 of the Indian Customs

In the Apollon, it was found that the vessel had been entered at the Bombay customs house on September 19 under "prior to entry" rules which entitled vessels to be entered prior to arrival, so that they could commence discharging on the could be commenced to the country to the could be compared to the country to the c port general manifest (IGM) customs under the prior to would be presented for final entry rules. Moreover, the entry purposes and the final arbitrator accepted the charlEGM would be admitted after the entry evidence of Indian law. arrival. Upon arrival, the im-

Apollon commenced lightening before the final IGM was presented or admitted.

It was found that the vessel had already been entered at the customs house prior to notice of readiness, on September 19.

The umpire who was not shown the Customs Act, rejected the charterer's contention that it was illegal for the vessel to discharge prior to admission of the final IGM. Mr Justice Bingham considered did not include sections 30 and sentitled to hold that for all practical purposes the entry was illegal under the 1962 Act.

The position was that Mr Justice Bingham and Mr Justice Construe the words as meanto construe the words as meanto an entry inward application.

The arbitrators came to a different conclusion partly, it seemed, because they were linduced by the decision in the Apollon and the Delian Leto and partly because they did not construe the clause in the light of the Act. If the clause was not construed in the light of the Act. If the clause was not construed in the light of the Act. If the clause was not construed in the light of the Act. If the clause was not construed in the light of the Act. If the clause was not construed in the light of the Act. If the clause was not construed in the light of the Act. If the clause was not construed in the light of the Act. If the clause was not construed in the light of the Act. If the clause was not construed in the light of the Act. If the clause was not construed in the light of the Act. If the clause was not construed in the light of the Act. If the clause was not construent the construent in the light of the Act. If the clause was not construent the construent in the light of the Act. If the clause was not construent the construent to construe the words as meant to construe the words as meant to construe the words as meant to construent to construent the co

which occurred on September In the Delian Leto, the vessel was entered with the customs house seven days before arrival at Bombay. The umpire con-cluded that "vessel having been

in a dispute as to commencement of laytime.

MR JUSTICE WEBSTER said that by a voyage charterparty on Baltimore form C, dated December 10 1982, the owners chartered the Albion to the charterer for the carriage of a cargo of wheat from Gaiverston to Madras.

Under the charter party commencement of laytime was governed by additional clause 34, which provided that time entered at customs house" was

officer "before the arrival of the versel" at a customs station. Section 31 (1) provided that imported goods should not be unloaded "until an order has been given by the proper officer granting entry inwards to such granting entry inwards to such vessel." Subsection (2) pro-

vided that no such order should be given "until an import manifest has been delivered. . . "
In the present case the vessel filed an entry inward application on February 9 1983, tendered notice of readiness on February 18 and berthed on February 21. She was granted

final entry by the customs at

time of berthing.

The arbitrators found there was a clearly established practice in Madras under which an entry inward application was filed before arrival of the vessel. When the application was filed the vesel was assigned an import manifest number. Final entry was granted after a check had been carried out that the goods on board matched the declaration in the manifest whereon permision to discharge

The evidence was that final

was given.

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For Sale 2s a going concern by the joint administrative receiv Messrs S. S. James and C. T. E. Hayward

Turnover in the year to September 1986 was

noximately £1.6 million.

entry was always granted only on berthing. There was no express finding as there was in the Apollon and the Delian Leto that the vessel had been entered with

Also, whereas in those two cases there were findings that the vessel was entered at the

the vessel was entered at the first stage of the procedure, there was no such finding in the present case.

In the Apollon, there was a finding that the first entry permitted discharge to commence. There was not only a contrary finding in the present case, but also a finding that discharge prior to final entry would have been illegal. In the Delian Leto, there was a findwould have been illegal. In the Delian Leto, there was a finding that once the first entry had been given, final entry was a pure formality. In the present case there was no such finding. For those reasons the court in the present case must out in the present case must put its own construction on clause 34 in the light of sections 30

34 in the light of sections 30 and 31, as part of the factual matrix existing when the clause was agreed.

It was accepted that the two
sections contemplated a twostage customs procedure and
contemplated delivery of an
import manifest to customs

import manifest to customs before the arrival of the vessel.

But it did not follow that delivery of the manifest necessarily, or even prima facie, constituted "an entry." The word "entry" only appeared in section 31(1), where the reference was unquestionably to final

entry.
Therefore, if "entered at custom house" in clause 34 was

bureaucratic delay. Thus the that discharge prior to final construed in the light of the Apollon commenced lightening entry was illegal under the two sections, "entered" could only mean "entered on final before the final IGM was pre-

not construe the clause in the light of the Act.

If the clause was not construed in the light of the Act. "having been entered at custom house" as a matter of authority, namely the decisions of Mr Justice Bingham and Mr Justice Lloyd, related to prior entry and probably to filing the entry inward application. If the clause was construed in the light of the Act, the words could not have that meaning.

have that meaning. Conclusive weight was not attached to the fact that disattached to the fact that us-charge before final entry was illegal. The court was merely construing the words of the clause in the light of sections 30 and 31. It was recognised that time could be made to that time could be made to run from any arbitrarily chosen point, and that there would be nothing to prevent time running, though discharge would be illegal, if a clause properly construed had that effect.

The arbitrators, who had the Customs Act before them mis-

Customs Act before them, misdirected themselves when they concluded that "entered" could refer to an application for entry at the first stage of the procedure. The 24-hour period ran from the time of entry at custom house. Laytime commenced on February

The charterer's appeal was allowed.
For the charterer: Andrew Bano (Zaiwalla and Co). For the shipowners: Alistair

Schaff (Richards Butler and By Rachel Davies



#### 2 & 3 July, 1987 London

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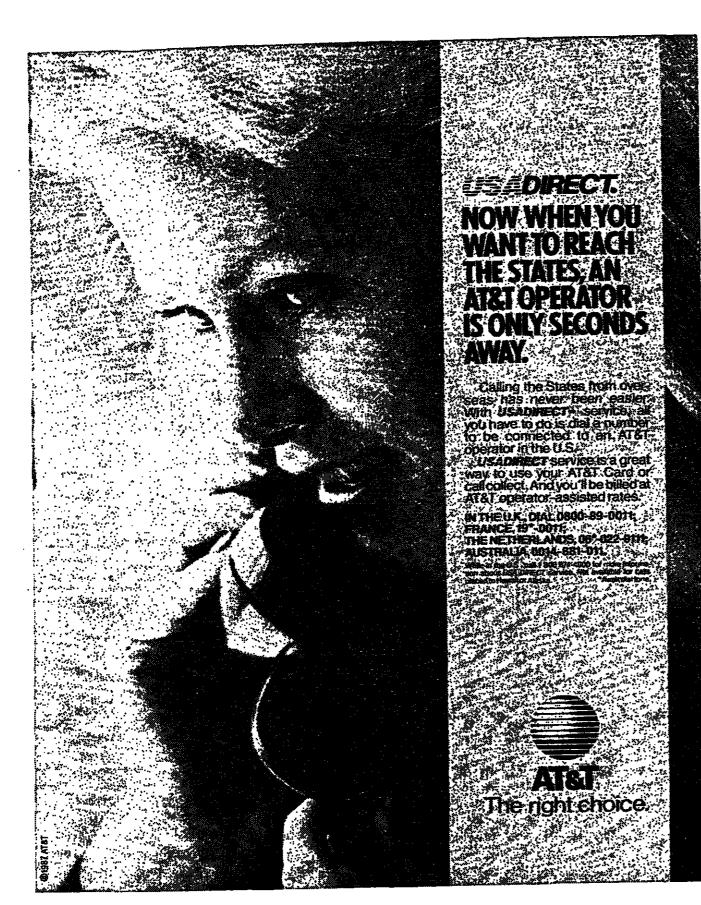
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# **Businesses For Sale**

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Ernst Krenek/Almeida Festival

**Paul Driver** 

The composer Ernst Krenek ducted by Elgar Howarth. The is as old as the century; he has not merely passed through it but lived it out energetically, ment span, a challenge to the main developments of modern musical history as completely tone. Durch die Nacht was persustatively sung by sonrano Penergia.

suasively sung by soprano Pene-lope Walmsley-Clark, but struck me nevertheless as over-hectic

in its romantic inspiration, not quite convincing. Tape and Double performed on two pianos by Andrew Ball and Julian Jacobson, with the tape

part looked after by members of EMAS (Electro-Acoustic Music Association of Great

Britain, which plays a day-to-day role in the Almeida Festi-val) was a worthy experiment in the synchronisation of live

in the synchronisation of live and pre-recorded elements, but the antics of the pianists inside their pianos, flourishing ham-mers (the metal kind), striking the wood of the instrument, etc, taken with some of the more graphic electronic splurges and

expostulations on the tape produced an inescapably risible

Sesting, for soprano and ensemble draws a parallel between the extreme rigidity and consequent arbitrariness of

meaning of a sestina verse-form. and the unpredictability of out-

and the unpredictability of outcome in totally pre-determined
serial music. The score is
indeed total-serial, and just
about as dry as such things
come. But it is a wilful parody
of Darmstadt style, its own
pointlessness more or less put
in quotes. Van rorn herein

(" From the outset") was much more acceptably "wet"—a melée of tricks, idioms and techniques,

Krenek was also involved, unexpectedly, in a marvellous late-night concert at the Almeida Theatre on Sunday given by the ensemble die reihe from Austria. Two works by the ensemble's conductor.

ensemble's conductor, Friedrich Gerha, were played, both featur-ing H. K. Gruber as idiosyn-cratic baritone chansonnier. The

second, a musical-visual-literary

panorama of contemporary Vienna, had texts by Ernst Kein (hence the piece's punning title, Keintate) which Krenek had translated into English. The 49

but punchy and alive.

has not merely passed through it but lived it out energetically, and reflected in his work the main developments of modern musical history as completely as anyone. He has known everyone (married for a time to Mahler's daughter, associate of Schoenberg, Webern and Berg, friend of Rilke and Thomas Mann) and explored every musical genre and tech-

every musical genre and tech-nique. He has composed some 20 operas and his opus num-

20 operas and his opus numberings are now in the middle two hundreds. He has written books, articles, librettos, poems. He has enjoyed colossal success (with the 'jazz-opera' Jonny spielt anf. of 1927) and suffered prolonged neglect (for instance, until recently in his native Vienna). It was moving and strange that such a life should also lead to an indifferent summer's afternoon at the Union Chapel in Islington, where on Sunday, Krenek was

where on Sunday, Krenek was an observable small figure, frail but sunburnt, attending the first part of a day of tribute to

# Sensations of light

Of all the abstract expressionist artists of the postwar New York School, Mark

demonstrates the serious and soft-edged bars and rectangles substantial nature of his achievement.

Within these past 25 years or colour laid with the lightest, soft the first partial and one thought at first it was their demonstrates the serious and soft-edged bars and rectangles of delicate, intense and apparently unmodulated or figured colour laid with the lightest, soft-edged bars and rectangles of delicate, intense and apparently unmodulated or figured colour laid with the lightest, and the serious and soft-edged bars and rectangles of delicate, intense and apparently unmodulated or figured colour field or ground. One thought at first it was their successively two distinct reputations: the first partial and one thought at first it was their distorted, the second more credible for being founded in his work as a whole. We are inclined to forget how overwhelming the effect of the new American painting in the late 1950s and early 1980s was upon subtlest of touches upon a unifying colour field or ground. One thought at first it was their who knows where, but instead it became fixed upon him like a trademark, a personal, immutable and, of course, highly marketable style. Finding your own thing was all very well but empty of all refersing to it was the dealers' imperative of the 1960s.

All that the late of the new contributions and any properties of the supply of the 1960s.

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# 238 HAND

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10 LEVE

of all the abstract expressionist artists of the post-war New York School, Mark Rothko is one whose reputation is still secure as a major figure in 20th century art. Quite how long it can remain so high is a moot point, and no doubt the important retrospective exhibition of his work now at the Tate Gallery (until September 1) will affect the balance one way or the other. But the show clearly demonstrates the serious and

New Orleans in Lugano Jazz Festival

**Kevin Henriques** 

So much rain fell and lightning flashed in the concluding
stages of this year's New
Orleans in Lugano jazz festival
that the final two hours' programme was completely abandoned. The unwelcome torrent
and resulting large pools of
water prompted the wry
thought of manning finals each making several success, Diz Watson from specialises in the subtle,
appearances in this compact
Britain, deputising at about a feather-light music of the
day's notice for an ailing famed John Kirby sextet of the
orleans and whose blues stylassumed major importance.
ings, influenced by authentic
such as Professor Longhair,
nent, underlined this with his
orthusiarm
orth

water prompted the wry nent, underlined this with his were greeted with huge thought of re-naming the Swiss outsize extrovert personality. enthusiasm. lakeside resort Lagoono. He pounded the piano relent-Happily, before the premature lessly, much to the barely conformer who works mainly outside the premature lessly.

halt, the enthusiastic listeners cealed chagrin of the other side this country. So is Dana had heard many hours of pianists whose comments about Gillespie, a seemingly unsuitquality playing and singing in his twice-daily assaults on the festival's six centrally instrument were unprintable! those who remember her stage

located plazzas.

Admittedly there was also debut, unlike Al Copley, the unsome mediocrity. Sadly most of the Swiss bands occupied this festival and inevitably invited specialises in rather raunchy,

the Swiss bands occupied this festival and inevitably invited specialises in ratner raunchy, back. Copley is somewhat of pianist Fritz Trippel, one of the daily successes on the stand in the Piazza San Carlo, devoted way, singing and playing the exclusively to plano jazz, to redeem Switzerland's reputation with hour-long sets of stylish playing of tunes from the swing and post-swing eras.

A bonus for Lugano audiwhich has such barely double ences who, like festival audiences everywhere, cherish favourites, was the unscheduled some and post-swing eras.

200 1

With a roster of eight appearance of another past

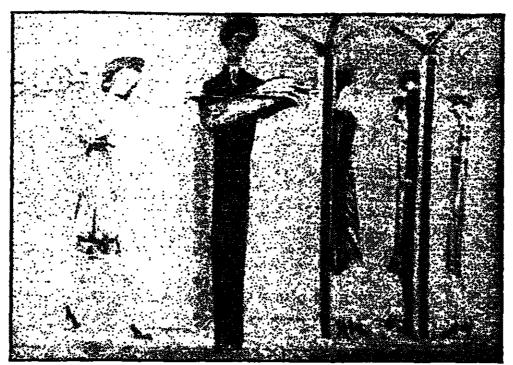
of his work upon exhibitating formal and personal discovery. Such a radical breakthrough might have led him on in turn who knows the succession of the succe

American painting in the late 1950s and early 1960s was upon of a deep and ambiguous of a deep and ambiguous sible to leave aside the Rothko meaningless as a mantra or the were advanced on its behalf by an enthusiastic and hardly disinterested American critical machine, were equally exaggerated.

Time has shown us that this was not after all the greatest art since the world began, but that it was not all entirely withexaggerated.

He hit upon that format in 1949 — though he had been tasing his way towards it over the previous two years — and over-sold. The good artists have benefited by the revision, and can now be set into the wider, truer context of the art of this century to occupy an honourable position among their peers. Rothko is but one of the more timagination.

He hit upon that format in 1949 — though he had been teasing his way towards it over the previous two years — and was to remain faithful to it undit his death by his own hand at the 290s, and a show at the Whitney about the same teasing his way towards it over the Whitney about the same teasing his way towards it over the previous two years — and was to remain faithful to it undit his death by his own hand at the Whitney about the same teasing his way towards it over the worket nothing but at the age of 60 in 1969. For 20 years he worked nothing but the later starting point of 1932, makes the point, a small ostensible Interior with figures that could still hang happily with at took him back into the 1920s, and a show at the Whitney about the same teasing his way towards it over the Whitney about the same time set the 1940s as the general context, The Formative Years of abstract expressionism. Now, ment, whose work matured over some 40 years into a context, The Formative Years on in a somewhat at the age of 60 in 1969. For 20 years he worked nothing but the later starting point of 1932, makes the point, a small ostensible Interior with figures that could still hang happily with the caller. Small figures cluster between the Whitney about the same at the Whitney about the same at the Whitney about the same the Whitney about the same at the Whitney about the same the Whitney about the same the Whitney about the same of the Whitney about the same the Whitney about the same the Whitney about the same in the Whitney about the same the Whitney about the same in the Whitney about the same the Whitney about the same in the Whitney about the Sung in the Whitney about t



"Subway," 1930s, by Mark Rothko

of Mark Rothko.

And what we discover is no hero of American Isolation, but

and "Royal Garden Blues" as well as the unusual "Beethoven Riffs On," based on the com-

The one other Continental band to impress was also a sex-

tet, led by Italian clarinettists

Bruno Longhi and Giami Sanjust who, with vibraphone plus rhythm section, injected freshness and sparkle into fami-

liar material associated with Benny Goodman. Space need not be expended

City Swing All Stars, containing three former sidemen from the

Count Basie band, did not once

enjoy the best playing conditions.
This year a total of SFr

270,000 was injected into the

festival with most of the money coming from its chief sponsor

Credito Svizzero (Credit Suisse), with contributions in

kind from, among others, the town of Lugano and Crossair, Switzerland's internal airline.

Local businessman Marino Zimmermann, chairman of the fes-

tival's organising committee, intends to continue for 1988

the event's intentionally low-key atmosphere—this is one of its

of bands and hopefully increase the quality of the others. A wise decision. Regrettably

wise decision. Regrettably Signor Zimmermann does not have organising powers over the weather for next June in

sately lorgotten shall be successful accompanied berself on plane on the major disappointments on the major disappointments but singer-planist Marcia Ball from Texas did not seem entendre lines as "It's not your equipped vocally or by her organ but the way you grind," whose pith almost certainly passed over the heads of the mainly Italian-speaking listeners.

Space need not be expended on the major disappointments but singer-planist Marcia Ball from Texas did not seem equipped vocally or by her only trio backing and the grandly named, personality-packed septet. The New York City Swing All Stars containing

remarkable. charms. He also wants to re-Apart from the Lyttelton duce by about four the number

poser's Seventh Symphony.

given simply a facade and a flat generate; we find ourselves surface divided horizontally and vertically with a stark simpli-

**Andrew Clements** 

Following the loosely chronoovert figuration of the 1930s into the more equivocal sarreal expressionism of the 1940s. graphic and linear at first, that becomes ever more amorphous

quite taken up with Rothko's own excitement and delight in

logical hang, we move from the its confirmation through the work of the 1950s, so wonder-fully varied and inventive for all the narrow formal range it embraces, is extraordinary. The galleries are lit at the low set into the wider, truer context of the art of this century the later years the tonality to occupy an honourable position among their peers. Rothko is but one of the more prominent.

Ris work has been turning upon it, save that in the later starting point of 1932, ostensible Interior with figures of the and unspecific, fuller and levels of Rothko's known presearch and the scale regularly more ample. Small figures cluster between the colours deeper, the mood longer celebratory but digest) and it gives us the up now and again in England, of the last paintings are the in Britain of the life's work and pictorial space, we are of light and space they and unspecific, fuller and levels of Rothko's known preserve that could still hang happily with anything that came later. Small figures cluster between more painterly and simple. The colours deeper, the mood longer celebratory but digest) and it gives us the upon and again in England, of the last paintings are the starting point of 1932, ostensible Interior with figures and unspecific, fuller and levels of Rothko's known preserve that could still hang happily with anything cluster between more painterly and simple. The colours deeper, the mood longer celebratory but digest) and it gives us the of flanking statuary—and for on surface, and the sensations of light and space they and unspecific, fuller and levels of Rothko's known preserve that could still hang happily with anything cluster between more painterly and unspecific, fuller are cover in the later could still hang happily with anything cluster across the surface and unspecific, fuller and unspecific. and unspecific, fuller and levels of Rothko's known pre-flatter across the surface and ference, yet here the light more painterly and simple. The seems to flood and swell off the

him—an organ and violin reci-tal, not alas the most crowdwhat he is doing.

This phase of the show, and

pulling of events, which was given by Martin Haselöck and Ernst Kovacic.

Two of Krenek's works were programmed here: his Opus 231 (1979) for violin and organ a fairly austere and abstract essay; and his Four Winds Suite (1975) for organ alone a piece full of spiky bravado (the shrill opening, "Euros" or East Wind movement was truly like a lash in the face) and with little moments of poetry (the canons of Notos, or South Wind). Immediately after the recital, Krenek moved down the road to the Almeida Theatre for a second concert of his music, this one designed as a retrogretive of his preser and retrospective of his career and covering his main stylistic changes. He introduced it himself in extremely eloquent fashion; his short talk about the five pieces was like a potted history of 20th capture resident. The Gershwin Years/Barbican George Gershwin died 50 effective—arrangement by the years ago on July 11. Among the numerous celebrations in London the Barbican/London the Barbican/London Symphony Orchestra series history of 20th century music: there was the "free atonality" ("whatever that may mean."

he interpolated) of Symphonic Music for 9 Solo Instruments op.11, the romantic neo-classicism of Durch die Nacht, Symphony Orchestra series straightforward effectiveness by "The Gershwin Years" is by Faul Nicholas, and illuminating far the most ambitious and substantial — five orchestral constantial — five orchestral conserts conducted by Michael Tilson Thomas, and the familiar two large-scale works included Barbican panoply of ancillary events and exhibitions, together served Rhapsody for piano and little settings and intermezzos were bracing and engrossing in a song-cycle to words by Krenek's friend Karl Kraus, the the txtreme—Gerha's music is brilliantly tonal and parodistic. in just the way, in fact, that Mahler's music is. The photoelectronic music of Tape and Doubles (1969), the total serial-ism of Sestina (1957), and the Tilson Thomas, and the ramma.

Barbican panoply of ancillary —The Cuban Overture and events and exhibitions, together Second Rhapsody for piano and orchestra — immediately relimitations of that graphs were fascinating, the retreat to eclecticism of Von vorn herein (1974). fabulously
The concert was performed Gruber's
by the Almeida Ensemble conimmense.

tains at least one fascinating gift.
and provocative essay on Ger Gershwins status by Robin metho Gershwin's methods in pieces like the Second Rhapsody are fre-quently called "continuous So far so good. It promises to quently called "continuous be a splendidly thorough and variation," implying a highly proficient survey of a composer who by any standards is estabwho by any standards is established as one of the most popular (perhaps the most popular) of the century, and for whom considerable claims have been made by eminent musicians and musicologists from Schoenberg on. Holloway furthers those claims: "One of nature's grammarians," he calls Gershwin, "with an exactness in gauging chromatic inflections in tonal contexts surpassed only by Schubert and Chopin." and popular of the most analysed would be found to be analysed would be found to

Certainly Tilson Thomas and the LSO's performances, brash Schubert and Chopin," and asserts that those who dismiss Gershwin because his art was Gershwin because his art was and swaggering where appro-expressly designed to be enjoyed by the widest possible audience are guilty of hypocrisy sary frissons. They carried over their exuberance into Schoen-berg's orchestration of Brahms' G minor Piano Quartet (comto agree. But the opening West Coast when he played concert raised again far more ping-pong with Gershwin), and awkward questions than it a fascinating trio of Hollywood answered; whenever Gershwin's large-scale works win's large-scale works are programmed (and even his greatest admirers admit the Dirge, written as a memorial to Gershwin, David Raksin's title construction of, say, the Rhapsody in Blue to be ramshackle)
one is forced back on to Hans
Keller's telling description of
Gershwin: "A major master of
minor from Minnelli's The Bad
and the Beautiful and two
numbers from Leonard Bernstein's On the Town music.
Bernstein and Gershwin as
minor froms."

The control minor forms."

The central panel of Sunconjures another set of arguday's concert was the most ments altogether.

# playing by the ensemble was fabulously exuberant, and Gruber's performance was Previn's selection/Festival Hall

Dominic Gill Sunday night's Royal Phil- Throughout the piece he negoharmonic Orchestra concert tiates that impalpable line between sentiment and sent-mentality (in much of Messiaen's music especially a fine

some subtitle of "A fortnight of Music and More." It is a characteristically eclectic list. The "more" extends to The London Contemporary Dance
Theatre, and to Tom Stoppard's
piece for actors and orchestra
Every good boy deserves
favour. The music ranges from
Telemann to Messiaen, Weill
and Gershwin, and from the Pasadena Roof Orchestra, through an impressive selection

of Previn's all-time jazz favourites (Herbie Hancock, Miles Davis, Dizzy Gillespie,

the first of a series running but crucial distinction) with between now and July 5 which
goes under the winsome title
(surely not Previn's own ?) of
"The André Previn Selection,"
and under the still more winsome subtite of "A fortnight of the Jardin du sommeil
of the Jardin du sommeil
d'amour — emerged fresh and d'amour -- emerged fresh and bright, uncloyed.
Much of this was due to Pre-

vin's own fine rhythmic tuning of the long, complex repetitive paragraphs. Conductors of Turangalila are sometimes tempted to press home the point, and hold up the flow of the argument, with a grand rubato or two in just the wrong places. places. Previn kept the move-ment of the music vibrantly alive, without ever imposing a metronomic pulse—the line Miles Davis, Dizzy Gillespie, Oscar Peterson, the MJQ), to Georgie Fame.

Previn has only quite plants Paul Crossley, whose recently come to Messlaen's Turangalila symphony, and his performance of it with the RPO on Sunday, as the curtain-raiser to his series, was a triumph.

# Arts Guide

tative was the Humphrey Lyttelton band which pre-sented the most polished and most interesting jazz of the

festival and additionally had

American trumpeter Yank
Lawson as guest. Amazingly
Lawson and Lyttelton had not
only never previously played

together but had never even met. This made their duetting

and empathy on the stand all

and empany on the stand and the more astonishing. Lawson, just past 76 and at the end of a lengthy tour of Britain, did not play throughout each session but when he did his assurance and control were

band the most consistently satisfying group at the festival

was the sextet of alto-saxophonist Claude Tissendier from Paris. This band (as I noted

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednes-day. Exhibitions/Thursday. A selective guide to all the Arts

Holloway.

June 19-June 25

#### WHAT A LEADING SWISS BANK IS NOW TELLING INTERNATIONAL INVESTORS ABOUT THE U.S. DOLLAR.

Dana Gillespie

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when reviewing their record in weather the FT last September) Lagoono.

appears each Friday.

#### Opera and Ballet

**WEST GERMANY** 

Sinsigari, Würtlembergisches Staats-theater: Krisztina Laki, Rüdiger Woblers and Helmut Berger-Tuna star in Martha Alceste, produced by Robert Wilson, stars Dunja Vejzov-ic, Tomoko Nakamura and John Sandor. Also in repertory is Die Frau ohne Schatten, Fetonte, Fidel-

Frau ohne Schatten, retoute, rinerio and Jenufa.

Minchen, Bayerische Staatsoper: Otello stars Magaret Price, Carlo Cossutta and Piero Cappuscilli. Die
Zauberliöte is also in the repertory,
together with La Bohème with Gebriela Benackova, Julie Kaufmann,
Thomas Hampston and Thomas Thomas Hampson and Thomas

LONDON

Royal Opera, Covent Garden: A mixed bag of repertory pieces this week. La Bohème, an effectionate revival under Giuseppe Patanè's experienced baton, with Cynthia Hamon and Ilona Tokody alternating as Mimi; yet another round of Barbers, this time with Leo Nucci (Figaro), Paata Burchuladze (Basilio) and Lucia Valentini Terrani (Rosina) new to the production; and the dull, unstylish new Manon, conducted by Jeffrey Tate, with Julia Migenes and Neil Shicoff the unsympathetic leading couple.

leading couple.

Rnglish National Opera, Coliseum: The closing week of the ENO season includes the knockout new David Pountney production of Shostako-vich's Lady Macheth of Misensk, nducted by Mark Elder, with Josephine Barstow giving one of her greatest performances in the

title role; and final performances of two less successful Pountney shows, the tacky rubbish-dump Carmen (Jean Rigby and Arthur Davies game but hampered as Carmen and José), and the elaborately Gerald Scarfe-designed Orpheus in the Un-derwords. derworld.

NETHERLANDS

Amsterdam, Muziektheater, The balinsperuum, santiestoseier. The par-let company of the Hungarian State Opera with Romeo and Juliet (Mon, Tue). William Forsythe's Artifact from the Frankfurt Ballet (Thur).

from the Frankurt Bauet (11mm). (255 455).

Imsterdam, Societijn Theatre (Limna-eusstraat 2). Indian music and dance from Bengal (Mon) and Kera-la (Wed) (56 88 500).

Imsterdam, Doelenzaal (Kloveniers-burgwal 87). Krisztina de Chatel's Dance Group with Staunch (Wed, Thur). (239 112).

ITALY

Milan, Teatro della Scala: Mozart's Marriage of Figaro directed by Gior-gio Strehler, designed by Exis Fri-gerio: the cast includes Patrizia Pace, Milena Pauli, Oslavio di Credirace, saliena Fani, casava ut ceter co, Ernesto Gavazzi and Giorgio Surjan, conducted by Riccardo Muti (Sat, Moa, Thurs). La Fille Mal Gar-dée, danced by Elisabetta Armiato and Ringio Tambone and conducted by Michel Sasson (Fri, Tues). (80 91 26).

Turin, Teatro Regio: Verdi's Nabucco Turin, Teatro Regio: Vertus Anabaco conducted by Maurizio Arena, di-rected by Renzo Giacchieri (Sat, Tues) (548 900). Nanles, Teatro San Carlo: A ballet by Misha van Hoecke based on Neapol-itan popular songs directed by Rob-erto de Simon (Sat, Wed) and Puccini's Tosca conducted by Gianhuigi
Gelemetti and directed by Fllippo
Crevelli (Fri, Sun, Tue, Thurs). Gast
inchdes Carol Neblett, Lando Bartolini and Silvano Carroli. (197 2412).
Spolete (30th Festival of Two Worlds),
Teatro Nuovo: The Festival opens
with the Stattgart Ballet, under
Marcia Haydee in a dance version
of Tennessee Williams's Streetcar
Named Desire (Wed), Wagner's
Parsifal directed by Giancarlo Menotti, conducted by Spiros Argiris
with sets by Pierluigi Samaritani
and costumes by Roberta di Begno
(Thur). (40 285).

and cultural self-deception.

It would be much easier and

Bercelona, Pacini's 'Saffo' with sopra-no Montserrat Caballe and Juan Pons in the leads. M. Ramin con-ducts Licer's Orchestra, Gran Tea-tre del Liceu, San Pablo 1. (Wed) Madrid, 'Madrid en Danza' with Barcelona's Group Lauonima Impe-rial presenting 'Eppur si Muove'. Centro Cultural de la Villa de Ma-drid. Plaza del Descubrimiento. drid, Plaza del Descubrin

**NEW YORK** 

New York City Ballet (New York State
Theater): More than 40 works by
Balanchine, Robbins Peter Martins
and other choreographers will be
part of the two month-lung 88th season, including two new works by
Martins set to music by Handel and
Michael Torke. Ends June 28. Lincoln Center (870 5576).
Metropolitan Opera: The 21st season
of free park concerts continues with
La Bohème conducted by Richard

La Bohème conducted by Richard Woitach with Hei-Kyung Hong, Vin-son Cole and David Arnold. Great

Lawn, Central Park (Tue), Bronx
Botanical Garden (Wed).
Netherlands Dence Theater (Metropolitan Opera Housa): New York
premieres of Jirl Kytian's L'Histoire
du Soldat and L'Enfant et les Sortileges highlight the mixed programmes. Ends June 27. LincoirCenter (382 8000).

American Ballet Theatre (Opera House): Cynthia Gregory, Marianna Tcherkassky and artistic director Mikhail Baryshnikov return for the spring season of mixed programmes including company premieres of Sunset choreographed by Paul Tay-lor to music by Elgar. Kennedy Cen-ter (254 3770). Well Trap: New York City Opera per-forms La Traviata (Tue, Thur), Tos-ca (Wed). Vienna, Va. (703 255 1888).

TOKYO Stanislavsky and Nemirovich-Danch-enko Moscow Musical Theatre Bal-let Swan Lake, Tokyo Bunk Kaikan (Thur) (265 6361)
ferce Cunningham Dance Company:
Points in Space, Channels/Inserts,
Grange Eve. Nakano Sun Piaza
(Thur).

(Intr).

Intende Dance: Japan's best-known
dancer, Shajo Kolima, returns to Tokyo with Spanish dancers including
Antonio Morales. Cuadro Flamenco and Escenss de Amor. Hakuhinkan Theatre, Ginza (Mon-Thur) (571 1003).

(3/1 1965).

Carmen (Bizet) interpreted in traditional Japanese dance by the Japanese Classical Dance Association, choreography by Yoshijiro Hanayegi, National Theatra (Wed, Thur) (533 6455).

#### Sitting on a fortune

Saleroom/Antony Thorncroft

It was furniture in all directions over the weekend, with Tournal, fetched the exceptional major sales in Monaco and New price of £17,921. major sales in Monaco and New York which established record prices for a single chair and for a set of 20th century furniture.

The chair sold for £366,025 at Sotheby's in Monaco. It had been made probably in -1749, and probably by Nicolas Foliot. What is certain is that it was destined for Marie Louise de Parma, the eldest daughter of \$154,000 (£95,652) to the Louis XV of France, who had been married at the age of bookcase, 191 cm high and twelve to the son of the King bookcase, 191 cm high and 103 cm wide, had been sold at

Louis XV of France, who had been married at the age of twelve to the son of the King of Spain and who was then given the principality of Parma. The chair is identical to two more, one in the Metropolitan in New York, one in the Hermitage, Lenningrad.

Top price in Monaco was the fay9,125 paid for a very elaborately decorated desk of Louis XIV period (around 1685). It is comparable to one at Windsor Castle and was, in fact, in the UK for many years at Ruthin Castle in Wales. In stark contrast is a very simple and beautiful portrait bust of a young girl identified as Anne Audeoud which sold for £371,571. It was worked in marble by Jean-Antoine Houdon in 1781.

Four Louis XV chairs bearing the stamp of Guillaume Aviera

in 1781.

Four Louis XV chairs bearing the stamp of Guillaume Avisse sold for £149.737, double the estimate, and a bureau plat of After 16 years in the West

After 16 years in the West Louis XVI period, stamped End, No Sex Please, We're Britishnie Levasseur, was on target at £99.825. Going back in time a late 15th century Virgin September 5.

#### **FINANCIAL TIMES**

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Tuesday June 23 1987

# South Korea in turmoil

Tr IS not difficult to write a 1988 Olympics. pragmatic prescription for It is now ap South Korea's present political Olympic prize problems. Key ingredients are that the Government must give way and permit direct elections for the next Presidency, rather than persevere with its plan to handpick a successor to Mr Chun Doo Hwan through the mechanism of a rigged electoral college. Second, the opposition must come up with an alternative leadership to Mr Kim Dae Jung and Mr Kim Young Sam, for the very simple reason that the South Korean military can tolerate neither, especially the former, and would probably move to prevent either bene-fitting from the advent of popular democracy. The problem, inevitably, is getting there.

Politically, South Korea has, since the war which divided it in two, been a special case. men. Little optimism can sur-Comparisons do exist with other round this week's promised industrialising Asian nations, talks between the president and where the pursuit of wealth Mr Kim Young Sam, because has far surpassed the evolution of democracy, or with countries such as Indonesia, where the influence of the military has long been paramount. But, until very recently, the presence of a clear threat from a hostile North Korea had seemed justification enough for the
acceptance of a regime with an
underdeveloped interest in
civil liberties. Trade unions
did not exist, because of the
Northern menage nor did a Northern menace, nor did a free press, nor much re-sembling working democratic institutions. When protesters raised their heads above the parapets, as happened in 1980 in the southern city of Kwangju, the army moved with a savage efficiency to restore

#### Olympic prize

Even this institutional impoverishment did not seem to matter so much so long as the economy prospered, which it did fabulously. Very much in the model of post-war Japan, the proceeds of the new prosperity were evenly spread around, both in money and in the growth of apparaturity. The the growth of opportunity. The Reagan Administration seemed solid in its support of the regime in Seoul, logically because South Korea is strategically vital. It was in a period of high confidence that South Korea bid for, and won, the off to the world as host to the demand.

It is now apparent that the Olympic prize was, for the regime, a poisoned chalice, in that it focused the attention of the world, and of Koreans themselves, on the dark side of the economic miracle. President Chun and the senior military officers around him were about the last to understand this. Having made conciliatory gestures, even towards the two Kims, he summarily broke off negotiations on constitutional reform in April because of the threat be saw it posed to a successful Olympics. He could not have made a worse mistake.

Now the President is in a bind, as is his designated successor, Mr Roh Tae Woo, like Mr Chun another former general and, therefore, not much beloved by his countryneither now seems to have much of a mandate. A discomfited and powerful military lurks behind Mr Chun while the street demonstrations of the last few weeks, with the new middle class joining the students, were

#### US influence

Tough though the role may be, it is probably up to the US to mediate, as Mr Gaston Sigur of the State Department is doing in Seoul this week. The US influence on South Korea is probably less than it was and there has been a disturbing undercurrent of anti-Americanism among the protesters. But it can exercise restraint on the South Korean military and it does have lines of communication out to the other side. tion out to the other side.

But the best hope surely lies with the South Korean people themselves. Theirs has not been a nihilistic protest. There is no evidence they want to throw away all the advantages they have earned by the sweat of their labour. They are proud of their achievements and want their recognised by the creation of the institutions of a modern state. As the Philippines showed last year, this is not an unresemble or uncertainable

# Over-exposure to floating hazards

DISILLUSION with the operation of floating currency a messy retreat in the stock markets is reaching epidemic market if it does not. proportions this summer, and with some reason. The most that it was a Japanese official compelling emerged again in participant, Mr Toyoo Gyohten, the otherwise bullish survey a vice-minister of finance, who of British industrial opinion by the Confederation of British then proposal at the Hamburg Industry yesterday: uncertainty conference. Flying what is over the competitive position likely to be regarded as a inhibits investment decisions, highly coloured Japanese kite,

This is indeed a problem throughout the industrialised world, and helps explain why the response of trade and in-vestment flows to the massive realignment of exchange rates of the past two years has been so slow and hesitant. Violent changes in the economic environment tend in any case to be deflationary in their first impact, as is now generally recognised; but if they are recognised; but it they are regarded as purely provisional, the delayed benefits expected when gainers from change respond may never appear.

That appears to be the present state of play in the real economy; but until now the financial intermediaries have been large gainers from uncertainty, enjoying a booming market in what are essentially financial insurance products. Now, however, they too are beginning to feel over-exposed. The bankers gathered in con-ference in Hamburg this week are almost as insistent in their calls for stability as their industrial clients.

The dangers for the financial The dangers for the financial markets are most evident at the moment in Tokyo, where the securities markets respond to exchange rate trends in a fashion which economists must regard as almost wilfully perverse. Stocks rise strongly when the yen is strong, despite the implied threat to Japanese profit margins, but have fallen sharply in response to some revival in the strength of the US dollar.

#### Market intervention

It seems clear that after their heavy losses on dollar securities in the past two years, Japanese investment preferences are dominated by currency expectations. This can only further destabilise both the currency markets and the currency markets and exchange-rate targets. The the securities markets. The summer will certainly not be Japanese seem to fear grave too long for the discussions damage to their own economy which will be needed

It is not too surprising then he suggested that the main central banks should create a pool of some hundreds of billions of dollars to be deployed in currency market interven-

This intervention, Mr Gyohten suggested, should not be stabilised, but should be allowed to inflate the money supply of countries whose currencies are in heavy demand from investors, and deflate the domestic supply of weak cur-rencies.

This would create an automa-tic version of the world approach to money supply conapproach to money supply con-trol which has long been urged by Professor Ronald McKinnon. While this would provide a far more effective ballast for float-ing markets than anything available at present, stabilisa-tion is not simply a technical problem as all these at the problem, as all those at the conference recognised.

#### Currency flows

At present, for example, central bankers are urging their governments to reduce market strains by carrying out their promises to co-ordinate their fiscal policies. If this is to be supported by systematic intervention, though, they would also have to revise their own ideas about monetary control.

This should not be as difficult

This should not be as difficult as it would almost certainly prove if the Japanese proposal prove if the Japanese proposal were seriously considered. Commercial currency flows have already made a nonsense of attempts to control broad money and credit, and the money controllers have little credibility left to lose.

However, the task of persuading central bankers to pool their monetary sovereignty would still not solve what may emerge as the irreducible problem: to agree on appropriate exchange-rate targets. The summer will certainly not be

THE OLD Post Office build-ing in St Martin's le Grand in the City of London has become an object of some fascination for the UK financial services industry. Only the grimy facade of this large Edwardian pile remains today, hald up he massive steel props. Edwardian pile remains today, held up by massive steel props. The entire innards have been ripped out for redevelopment by Nomura Securities, the giant Japanese stockbroking and financial services firm.

By 1990 the old shell will contain 300,000 sq ft of brand new office space to house the institution which embodies in most people's minds the remorseless advance of Japan into

morseless advance of Japan into morseless advance of Japan into the City. True to the image, the contractor for the redevelop-ment is also from Japan; Kumagai Gumi.

With a large DANGER sign adding to the effect, the project certainly looks threatening to a certainly looks inreatening to a City increasingly uneasy about Japanese competition, and it has helped conjure visions of Nomura overrunning the Stock Exchange and of British households rushing to buy Japanese financial services like they do Japanese cars and hifs. Japanese cars and hi-fis.

However, so far, the impact of

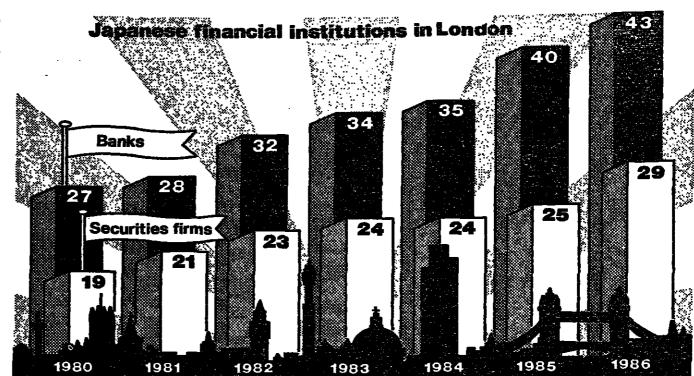
Japanese competition on the City has been limited to a few specialist areas where foreign institutions can gain quick access, such as foreign currency lending, Eurobonds and local cuthorist funding (a lenging) authority funding (a low-risk, low expertise market). Elsewhere, their presence is small or non-existent. If the overall balance of the Japanese impact is drawn up today, it might even be said to be highly beneficial to the City, taking into account the huge sums of money which they have funnelled into the UK's booming stock and bond markets, and the considerable numbers of people they employ

there, over 5,000.

The Japanese are, however, on the threshold of another stage of expansion. But this one will be tougher because it will confront them with major managerial problems, and oblige them to develop beyond their principal role as recyclers of Japan's large capital surpluses, which is also their greatest source of strength.

Some of the problems 2:0 those which face all foregin institutions in a new and highly competitive market. But some are peculiar to houses operating with an alien culture. To what extent, for example, will the Japanese be able to build parallels between Japan's global industrial expansion and its ambitions in the financial services husiness? Can those welldrilled assembly line techniques be applied to the highly entre-preneurial world of high finance? Probably with less success, so different types of expertise have to be acquired. Can the Japanese attract quality staff without having to pay expensive premiums? And can they blend them into their the improvement in the political atmosphere, the threat of retalization against Japanese houses in London has not

disappeared.
For while the City has given a cautious welcome to the recent improvements in financial relations between the UK and Japan, Tokyo's piedge to allow UK institutions to engage in activities like securities broking and investment management has an unsettling corollary: it smooths the path for Japanese



# Foundations laid, but plans still vague

By David Lascelles, Banking Correspondent

institutions to establish them-selves in the UK. Although the City still considers the victory in Tokyo to be far from won more houses want licences there), every Japanese concession reduces Britain's justification for obstructing them at the London end.

This is likely to make the Japanese banks and securities houses bolder in their advance on the UK market, more able to recruit good local staff and chients, and perhaps more ready

'It is very difficult because we are not yet equipped with a strong organisation and personnel team'

to make acquisitions to speed their growth.

The City now plays host to 43 banks and 29 securities houses from Japan, according to the 1986 annual count by The Banker magazine. This puts the Japanese inancial com-munity second only to the American. In addition there are several dozen Japanese insurance companies and financial services firms. In typical Japanese fashion, their advance has been slow but sure. Unlike the Americans, they have not vaulted into the markets by buying stockbroking firms for the Big Bang, preferring, as Nomura puts it, "to grow our own seeds."

able, the banks admit they have made lass progress in breaking into the UK corporate loan market, despite accusations from Bri ish banks about predatory pricing techniques.

Mitsui Bank, for example, set up a corporate loan department in London two years ago to woo UK company business, and devolved a large measure of credit responsibility from Tokyo to the UK. But Mr Shigeru Takano, the general manager in London, says: "Frankly speaking, it is very difficult because we are not yet equipped with a strong orga-nisation and personnel team."

Instead, the Japanese have found they can achieve more by participating in large many by participating in large must be ing packages assembled by UK out some feelers of men out some feelers of men to clearing and merchant banks. However Mr Toru Kusukawa, deputy president of Fuji Bank, which largest, says he the back of well-established local names and obtain high profile business. The Eurotunnel, the Broadgate City office development are the sorts of pro-jects where the Japanese have appeared. Sanwa Bank, which has been in London more than 30 years, is one of the co-ordinating banks for Eurotunnel with a commitment of £160m.

Similarly, by far the biggest source of capital markets busi-ness for the brokerage houses and the banks is the investment of Japanese funds in the Euromarkets and — lately — the UK domestic markets. Mr Minoru Mori, managing director of the London branch of Daiwa Securi-

porate community in the UK see ourselves competing with or financing bilateral trade. UK firms in domestic products."
While this market is consider(Daiwa is also refurbishing a large new City office with the help of Kumagai Gumi.

For this reason, the Japanese houses are probably competing more intensely with each other than with British institutions at this point. The Japanese also have little

interest—at least for the time being—in entering the UK retail financial market, either for investment or banking services.
The only exception so far was
the decision last year by Sumitomo Bank, usually the first Japanese bank to try anything new, to offer home mortgages. After a slow start, Sumitomo says lending levels are moving up to target, though it will not give any figures. Other banks are has no plans to enter the UK retail market.

Personnel management perhaps the biggest challenge. All the large houses now employ many more Europeans than Japanese in their London or more, and tensions are said to exist between the highly corporate-minded Japanese staff and the individualistic modernday City types. The high (by Japanese standards) salaries they have to pay to get them frequently make matters worse.

Quite how disruptive these tensions are is hard to gauge because the Japanese tend to ties, Japan's second largest because the Japanese tena to broking house, says: "Buying gloss them over, though Europeans complain of frustratingly peans complain of frustratingly Banks are principally active for Japanese clients is the main peans complain of frustratingly servicing the Japanese cor- source of our income. We do not slow decision-making and an

excessive regard for convention. Mr John Porter, a director of the Centre for Personal Construct Psychology which studies staff attitudes in companies, has examined Japanese culture, and believes that the gulf will be very hard to bridge. "The Japanese derive their satisfaction from serving the company whereas in western culture. satisfaction is much more personal," he says. However he predicts that in the end, it will be the British who will compro-

They are recruiting more graduates fresh from university whom they can mould to their way of thinking

mise to the far stronger corporate culture of the Japanese. But the Japanese are getting to grips with these problems. Increasingly they recruit whom they can mould to their way of thinking. With the fresh recruits off to Tokyo for

At Mitsui Bank, where 80 of the 100 staff are British, Mr Takano says: "We teach them our management philothem our management philosophy and way of doing business" — which means getting staff to place the efficient operation of the bank above all else. But the political row between London and Tokyo has not helped. Some British have been reluctant to join Japanese houses at a time when any one of them could be shut down by the UK authorities——unlikely though that seems. When Daiwa Securities was When Daiwa Securities was recently setting up a new banking subsidiary, two senior dealers it hoped to recruit cried off at the last minute because they feared their jobs would be

Does all this mean that the Japanese do not represent as potent a threat to the City as is often claimed? Probably, for the time being. Mr Colin Monk, a banker who recently left Hill Samuel to become chief executive of Daiwa's new bank, says: "There is an inevitability that the world of financial services will go to a group of some 30 large houses, and Daiwa wants to be among them. But the British should have more concern about the inroads which cern about the inroads which the Americans are making in

Another concern for the Japanese, particularly the banks, is profitability. Their traditional practice of buying market share abroad with little regard for the cost is under pressure now that moves are afoot to standardise bank regulation internationally. Although Japan is being slow to join the banking accord struck earlier this year between the Bank of England the Federal Reserve which will oblige UK and US banks to bear the same capital sts, Japanese banks are now being required by their own authorities to capitalise their international operations more strongly. For Japan's securities houses and many of its banks, London is the greatest source of overseas profit, exceeding New York where their arrival is more recent.

But none of these concerns is likely greatly to retard let alone halt the growth of the Japanese community in the City. Within the next two months, Nomura will start making markets in UK equities, which will transform it from the status of a client of the City's services to one of its operators. Towards the end of the year, it will probably apply to join the Bank of England's list of primary dealers in the glit-edged market. And where Nomura leads, the other Japanese houses quickly follow.

The banks, too, are constantly probing new areas and making new contacts. Several of them are opening up offices around the UK. Fuji Bank has just launched a custody service for investors in Japanese stocks Increasingly they recruit and there is a growing UK-graduates fresh from university Japanese merger and acquisition business.

stigma of working for a Japanese house now waning, this has ceased to be difficult. When Sanwa Bank recently traveled through Oxford University, it had 30 applicants for two places, according to Mr Kenji Tanimoto, the general within the political, regulatory manager of commercial banking. Last year Sanwa sent two fresh recruits off to Tokyo for The ambitions of the a two-year training course in strategy to become global institutions, and so far they can first "total immersion" of its be said to have got only their kind.

# Rubins guits

Dorland The Saatchi brothers, fresh

from the brouhaha of the last week of Mrs Thatcher's election campaign, ran into more trouble yesterday when Jack Rubins quit as chairman of the Dorland advertising agency.

Dorland was the victim of

John Bentley's property asset stripping operations in the early 1970s, when Rubins was left to pick up the pieces. Rubins did just that, eventually attracting Saatchi's attention. The brothers acquired the company in 1981.

Rubins, now 55, had been with Dorlands since the late 1940s and operated in a low-key style far removed from the flamboyancy generally associated with the advertising world. His approach is to motivate key staff and let them motivate key staff and let them get on with the creative work.

Saatchi's policy was to leave Rubins alone, too—he often joked about Maurice and Charles Saatchi rarely entering Dorland's West London offices. But earlier this year the relationship began to sour when Rubins fell into a wrangle with Dixons, one of its major clients, over a move to undertake the advertising for Woolworth as well.

The Saatchi management in-

Woolworth as well.

The Saatchi management intervened to keep Dixons within the empire, leaving Rubins feelings snubbed. Yesterday's long awaited Saatchi move to restructure its world-wide operations effectively clipped Rubins's wings and he decided to go. to go.

#### End of the line

The Cian Line clan will not come along for the journey when British & Commonwealth Holdings leaves Cayzer House in St Mary Axe later this year. With the Cayzer family's Caledonia Investments planning to sell most of its 31.3 per cent stake in B & C, it will lose its last executive representation on the financial services and industrial group's board.

The B & C boardroom portraits of founding fathers and uncles and nephews, and the

ambrella for two centre court

# **Men and Matters**

illuminated Cayzer family tree, will find a new home with Caledonia. "The family pictures will probably stay closer to the family," says Peter Buckley, nephew of Lord Cayzer, who was to step down anyway this week after 30 years as chairman.

"We will probably take a few things with us because it's nice to reflect on the company's history," says John Gunn, who takes over as chairman tomorrow. Otherwise, the Cayzer portraits might fit into B & C's modern City premises in King Street less well than the panelled rooms of Cayzer House, which B & C plans to redevelop, probably with the loss of its name.

Buckley will remain as a nonexecutive director, one of the shipping line launched by Charles Cayzer in 1878. And B & C's top Gunn has agreed that Lord Cayzer, the founder's grandson, will still become life president, an honorary role in the disposal.

Late advice

Late advice

Late advice

Late advice

Is this a record? Salomon Brothers' "sterling bond markets weekly review," dated April 10 and postmarked New York on April 14, reached my desk yesterday.

The US postal system is notoriously slow but at this rate more reliable balloon crossing of the Atlantic.

Salomon's review tells me, by the way, that there is no guarantee of a June general election. What was that the economist said about perfect markets and information?

Title deeds

Title deeds

Professor C. Northcote Parkinson, of Parkinson's Law fame. is selling his Guernsey feudal title of Seigneur of Fief Anneville. It is to be auctioned at Lord's cricket ground, along



title of Seigneur of Fief Anneville. It is to be auctioned at Lord's cricket ground, along with 45 mainland "lordships," on July 7 and is expected to fetch about £25,000.

Parkinson, 77, moved to the Isle of Man last year after living in Guernsey since 1960. When he settled in Guernsey, he bought four feural fiefs.

he bought four feudal fiels, partly out of historical interest partly out of historical interest but also as an investment. At that time, the island's feudal seigneurs were able to levy a 2 per cent feudal due, known as congé, on any property sale taking place in their domain.

Guernsey's parliament decided in 1980 that these feudal dues should all become payable to the Crown (in practice, to the island government) but agreed that until the end but agreed that until the end of 1985, the seigneurs should receive a tax-free sum equiva-lent to 50 per cent of the in-come from congé.

Parkinson told me at the time that the change would cost him a good proportion of

his income, though he refused to say how much.

I do not know what other privileges his fiefs of Mauxmarquis, Bruniaux and Beauvoir have brought him. But it seems doubtful if he has got much profit out of such remaining rights of Fief Anne-ville as shooting rabbits with a bow and arrows.

#### **New image**

Nuclear magnetic resonance scanning is not the catchies phrase, I agree. But as a new way of letting doctors peer inside our bodies it has come into common parlance
Now there seems to be a

concerted effort to change it-to "magnetic resonance imaging." That hardly slips more smoothly off the tongue. But it avoids the word "nuclear."

The British Technology Group, the Government agency which claims to hold the basic patents and hopes for a subpatents and hopes for a sub-stantial income from them, favours the change. So does GEC, one of the makers, through its Picker division. GEC, you may remember, used to be accused of being too gung-ho about matters nuclear. So why the change? A GEC executive, speaking from a base in Labour's left-controlled in Labour's left-controlled Brent, says: "Because London is a nuclear-free zone.

#### Dear husband

Marriage does have its draw-backs as Lorna Fleming, a Toronto office manager, dis-covered after she wed transport driver, Don Fleming.

The insurance for her 1980 GMC pick-up was at once raised to C32,300 because his three tickets for speeding and a seat-belt violation were counted against her driving record.

Mrs Fleming went so far as Mrs Fleming went so far as to contact a church minister about an annulment of the marriage but after further negotiations with her insurance company her annual premium has been reduced to C\$1,100

Observer

# You have many places to go in New York. But only one place to stay. St.RegisSheraton The quality of its guests is the signature of a great hotel Fifth Avenue 3.55th Street, New York. The hospitality people of ITI Toll-free in UK 0800-355535, in W. Germany 0130-3555 (In New York: (212) 753-4500, Telex: 148365.

#### Letters to the Editor

#### **Industrial consumers and British Gas**

From the Director General, Chemical Industries Association your resources editor Mr Max other leading EC countries, whose gas suppliers have reresults for the year ending duced prices in line with the March 31 give an apparently falls in oil prices. Thus the very favourable picture for reality is that the contribution shareholders and consumers of manufacturing companies to shareholders and consumers.

Profits on a current cost accounting basis increased by 46 per cent and a price reduction was announced for domestic and other small consumers.

The consumers of manufacturing companies to British Gas profits includes nearly £200m due solely to an unjustified 50 per cent "firm" gas price disadvantage versus EC competitors.

This situation is causing domestic and other small con-sumers. The only reference to industrial consumers was that "British Gas was forced to reduce its prices sharply in the industrial market." This could

be taken to indicate universal The realities for industrial gas consumers, who account for 30 per cent of British Gas' total sales volume, show a very different picture. Over the past year industrial customers with contracts for "firm" supplies have been paying prices in the range 27p to 36p per therm, with an average of not less than

Dear Sir, - Messrs Jay and

Stewart foresee the collapse of

European democracy and its

replacement by an authoritar-

ian state in "Apocalypse 2000." (June 18). Surely, the precon-

dition for such a revolution is

a large disaffected class who

have nothing to lose and pos-

sibly much to gain by this. In

Europe the prime candidate is

surely Britain, with its large pool of ill-educated permanent

tently fed simplistic jingoism by the popular press. That this

possibility exists must be the

most damning consequence of "the Thatcher years."

Sir,--We should like to com-

cils to give planning consent" referred to, is understandable

is a long time.

We do not disagree with the Royal Commission's suggestion that wider use should be made of the country's 60 in-house

incinerators. The snag is that most of these have been designed to destroy only the

Also it is not likely that many

From Mr I. Selwyn.

Sir,—In reading the election results one cannot fail to be struck by the huge disparity between the sizes of the elector-

chemical wastes being gene-Hirt Combust rated on that particular site. Dane Works,

operators of in-house incluera- Northwich, Cheshire.

Relative value of a vote

Covenants to charities

Sir,—How nice of Mr D. help to relieve the guilt. Saunders (June 15) to suggest in the basic rate of tax will cost

" voluntary or charitable organi- Emma MacLennan.

sations-who may also re-claim 40 Pendle Road, SW16.

their windfall from tax cuts to claimed back on such covenants.

From Mr D. Davies

Coping with toxic waste

ment on Ralph Atkins' article on "Toxic waste . . ." (June 16). "The refuctance of countil control only to a limited extra planning consent"

referred to, is understandard since it is well-known that the waste disposal industry has been plagued by 'cowboy' operators ever since waste disposal made by the Chemical Industries Association of government intervention is much more attractive since

From Mr R. Sparkes

Life is a cabaret, old son

70 Date: 2

2874TL d.E.

themical Industries Association than the average price of 20p per therm being paid by similar firm gas customers in the

This situation is causing serious financial damage to these customers and is eroding their home and overseas competitive position. In the case of the British chemical industry many such companies export 50 per cent or more of their production. This poses a renewed threat to such exports, production and employment as did similar British Gas pricing policies at various times in pre-

privatisation days.

In general, profit improvement by companies in a competitive marketplace is a good vigour

Imagine the scene. In the

capital the shops are full, the Stock Exchange is booming, the

whole place hums with activity

and conspicuous consumption

Yet high unemployment in the

provinces means an increasing

number of people arrive look

ing for work noticeable with

their broad accents and poor

clothes. Failing to find any, they are an obvious prey to a

political agitator. London 1999? Maybe. Actually, its Berlin 1929. As the philosopher

Santayana said, those who for-get the lessons of history may

tors would welcome the added

responsibility albeit lucrative

of accepting wastes whose com-

position they would be able to

control only to a limited extent.

should be easily workable since

the technology is now available and any measures decided upon could be quickly implemented and should be welcomed both

D. J. I. Davies, Hirt Combustion Engineers.

representation of Scotland and

the tax". This could certainly

charities up to £2m a year in money that they could have

operators

be forced to relive them.

R. K. Sparkes.

responsible

Water Street

efficiency, and is to be com-mended. The judgment however is more complicated in an oligopoly situation whether the

enterprise concerned is state owned or privatised. Here the supplier has to weigh its own commercial advantage which arises from working in a noncompetitive market against the interests of its customers who have to sell in a highly competi-tive world. If it does not restrain its appetitie for capitalising on its near mono-poly situation voluntarily, then perhaps a higher degree of regulation becomes necessary. Despite numerous protests by customers, British Gas is so far refusing to change its attitude in the matter of "firm" gas prices. In consequence indus-trial consumers are now stepmost appropriate prime energy

ping up their efforts to obtain remedial actions via the channels and options open to them to try to redress the lack of competition in industrial gas supplies in Britain Martin E. Trowbridge, Rings Buildings, Smith Square SW1.

Sir,—British Gas is to be congratulated on the substantial increase in its profits, part of which it proposes to pass on to domestic consumers. The position, however, some industrial consumers some industrial consumers of gas is not so satisfactory. Mr Fox, managing director of Tunnel Refineries, referred to this in his letter of this in his letter of June 17. He drew attention to the substantially higher prices likely to be charged for gas used in combined heat and power (CHP) projects than for steam generation. The company with which I am involved has a number of such projects in mind and, where gas is the

source, we have come across a similar difficulty.

I find this situation all the more surprising as the Government has repeatedly given encouragement to the construction of CHP plants. Why is it that the gas industry is appar-ently taking a different view? Derek Ezra, Associated Heat Services,



### Communication with staff

From the Chief Executive. British Association of Industrial Editors

Sir.--A recent survey members of BAIE lends weight to Philip Bassett's report (June 5) "Companies" communications with staff wor-

sens.' According to the survey, almunication by their companies was essential or valuable, 50 per cent of companies do not communicate externally as well

Worse still, the survey shows that 57 per cent of companies do not communicate internally as well as they should, thus High Street, confirming the view that British Sevenoaks, Kent.

companies are paying only lip service to communication with

their employees.

The tendency not to tell employees things that might interest them could be reversed by using house journals to bes advantage, according to 46 per cent of respondents.

The survey drew a response though 71 per cent of senior from 565 members (60 per managers thought that com- cent) of the BAIE, of whom 19 per cent are directors, 26 per cent managers and 40 per cent editors. They are employed throughout industry, commercians, government and the professions Cecil Pedersen. 3 Locks Yard.

# Debts, banks and taxpayers

by local authorities and by the public.

the various constituents it is not easy to understand why, for example, 51,000 may elect an MP in Plymouth whilst 97,000 are required in Milton Keynes.

Even more acute are the disparities arising from the mainty arose from difficulties of communication then, surely, with modern aids, it must now be unnecessary. The first constituencies to declare.

I. N. Geoffrey Selwyn, 32 St Maty's Anomaly arose from difficulties of communication then, surely, with modern aids, it must now be unnecessary. The first constituencies to declare.

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I. N. Geoffrey Selwyn, 32 St Maty's Anomaly arose from difficulties of communication then, surely, with modern aids, it must now be unnecessary. The first constituencies to declare. Wales. If, as I understand, this originally arose from difficulties of communication then. haps then, those paid to take responsibility will face up to that expectation, at the request M. C. Ogdon. of the shareholders.

But what about British Reabrook, Shrewsbury.

banks' loans to our farmers? Sir, It was with nostalgia How many of those managers that I listened to Lord Lever once willing enough to make pleading on behalf of the farming loans, have behaved British clearing banks for the responsibly to their sharetaxpayer to aid them re their
bad debt provision.

This taxpayer wishes to
remind the clearing banks that and gave strong advice which
first and subsequent ports of
would not have been welcall are their shareholders, for
rights issues and if necessary,
suspension of dividends. Not a
ball-out by the taxpayer. Perhave they these paid to take

And when should this advice

#### Short-termism and long-termism

From Dr D. Miller magnets and synchrotrons be-Sir,—Lex pointed out (June 18) that "short-termism" is hitting the Oxford Instruments' in research in these subjects share price, just as its medium-throughout the 1960s and early physicists. Oxford Instruments is where it is, and has its know-

share price, just as its mediumterm prospects improve through
an order from IBM for a wholly
new product. There is a further
moral to be drawn. Such a
promising high-technology outfit owes its very existence
to the unfashionable "longtermism" of the high energy
Thysicists Oxford Instruments

(Reader in physics University

(Reader in physics University (Reader in physics, University College, London). how about superconducting 31 Bromfelde Road, SW4.

# Rates: people are mobile but property is fixed

From Emma MacLennan

that rich people possessing a

conscience should covenant

services. If wage-garning spusses, children, lodgers and itensus choose to share a house, their contribution to the household expense includes a share of the rates, just as it includes the cost of other services. It may be a tax on going to work. This, the cost per head will be less if shared. In any case, everyone contributes to the cost of local government services through the rate support grant, which is financed out of national taxation.

Most of the infrastructure services cost much the same to provide, irrespective of the number of people living in the house; councils have to pay for the public and fire services, and to sweep, light and maintain roads, regardless of the most such as schools and parks those who keep land and build those who

From M. H. Law.

Sir,—Once again the domestic rating system comes under attack on account of the hypothetical widows paying the same rates as familles with "four or five" wage earners living in the same street. (Thomas Whittle, under 13).

If, ag Mr Whittle suggests, there are very many widows in this situation, there must be a large stock of four-bedroom houses with just one occupant. People who live in houses which are far larger than they really need are doing so out of choices. It isn't only rates which are far larger than they really need are doing so out of choices. It isn't only rates which are in allarge house; other expenses are also greater—heat-ing. cleaning and maintenance, for example. Rates are no different from other household expenses. If wage-earning spouses, children, lodgers and tenants choose to share a house, their everything to the values are high.

Personal local authority services that taxation, it would follow that pensioners and the unemtor of services are ought to vote.

If local government is to remain in any shape or form, it must have its own source or individuals or on property. People are mobile, but property is fixed, and so a local tax on individuals or on individuals or on property. People ar



not an issue in the election cam-paign, foreign affairs played their part. Who has forgotten the Prime Minister's "historie" visit to Moscow, or her claim to have " put Britain back on the map "?

The statement in the Conser vative manifesto—that Britain is "playing a major part on the international stage. From the White House through Europe to the Kremlin our voice is heard —was not less important be-ause the opposition parties railed to contradict it, or any way to make an issue of it. They lid not do so because they knew hat people either believed it or wanted to believe it. There were few votes to be gained by running down the country or selittling its influence in world

There is, anyway, after due allowance for electoral rhetoric, a grain of truth in it. Mrs Thatcher is not, perhaps, Presilent Reagan's most trusted dviser (if she were she would have a lot to answer for) nor vet the indispensable broker beween him and Mr Gorbachev; till less the leader of a united Surope. She is hardly a key figure in the Middle East peace process, if such a thing still exists, and her role in southern Africa has been rather negative, except for her recent and rather surprising emergence, alongside Mr Robert Mugabe, as Protector of Mozambique.

Yet she is undeniably a figure on the world stage, not universally loved but widely respected and even admired, including by some people whose ideological affinities are cer-tainly not with the Conservasimple fact that she has been around a long time, longer than any other head of government now in office in a major democracy. That means a lot of people around the world have heard of her and know who she is. (Gender helps there, of course, since nearly all other

# Why Europe is in need of the Thatcher touch

easy. It means she has long ex-perience of taking the big decisions and of hobnobbing with other world leaders, which

interests. The Falklands War stamped her firmly with that brand image, her handling of

parliament.

She is seen as a successful leader, and not only in winning elections. She is respected—there is no getting away from it—for her country away from it—for her country men with only token qualifications—was none other than that of Mrs Thatcher's Britain.

Mrs Thatcher there is no getting away from it—for her country men with only token qualifications—was none other than that of Mrs Thatcher there is no getting away from it—for her country men with only token qualifications—was none other than that of Mrs Thatcher there is no getting away from it—for her country men with only token qualifications—was none other than that of Mrs Thatcher's Britain. puts her at an advantage with they order this matter better— her Foreign Secretary, who has held up by Mr Fontaine to his

there is no getting away from it— for her courage and deter-independent of the courage and determination in defending national who has thoroughly consoli—when it suddenly and dated his/her power at home tends to seek. What she lacks,

Mrs Thatcher has credentials for an international role, but lacks a long-term strategic view of what needs to be done

towards private enterprise another, more imposing banner of the political leader. bearing the legend The Foreign Secretary, Reaganomics. But that is look interestingly enough, is given ing distinctly frayed, while higher marks on this score and legend

bravely.
Britain's modest growth rate is beginning to attract some favourable attention abroad, if only by contrast to the creep-ing paralysis which has overtaken other, larger economies. It was almost quaint to read in Le Monde last week a dirge by its editor, Mr André Fon-excitements of the moment, and prestige could most appropria-taine, about France's present to look for areas where she can tely be harnessed.

is identified with a direction in well-known chronic exasperaeconomic policy — away from tion with the Foreign Office, state control and intervention, that some senior British diplomats have great admiration for which is the way things have mals nave great admiration for her skill in the essentially dipmoved throughout the world. Not that her advice and example are primarily or even secondarily responsible for national circumstances, but this: the causes lie much deeper. But she was early on board the ship and nailed her of circumstances and do something to bring it about which

Thatcherism is still fluttering it is he who has just asked his staff to take a strategic look at the next four or five years. He him and one may guess that, if it is up to him, he will not be retiring gracefully to the Wool-sack within the next 18 months. Thus Mrs Thatcher tends to take her priorities from the

staying in power, in a system where that is known not to be easy. It means she has long experience of taking the big edecisions and of hobnobbing with other world leaders, which papers in the past, and because is a lot going on there, the counter-example of where Britain's security is manifestly they order this matter better— affected by it and she feels she held up by Mr Fontaine to his bas established a close personal relationship with both President Reagan and Mr Gorbachev, giving her a unique insight into both the constructive possibili-ties and the dangers of their

Last year's Reykjavik summit -when it suddenly appeared the US was willing to sacrifice the security of Europe and the very principle of nuclear the European Community has strategic view of what needs to deterrence—was, according to reinforced it. Beyond that, she be done. It is ironic, given her one of her advisers, "the most one of her advisers, "the most shattering thing that ever happened to her." But she seems to view the problem mainly in personal terms and to believe that her meetings with Mr Reagan, at Camp David in November, and with Mr Gor-bachev, in Moscow in March, have largely averted the danger.

Sir Geoffrey, by contrast, is more sensitive to the under-lying trends which these events reveal and probably more aware that Britain's capacity to modify the course of US-Soviet rela-tions over time is strictly limited. He is more likely to appreciate that neither appreciate that neither Britain's security nor her prosperity can any longer be isolated from those of western Europe as a whole, and that for both the next five years may well prove decisive.

American power, which has been going on since the 1950s, board the ship and nailed her pennant firmly to its mast. For thing to bring it about, which a time it was overshadowed by one might think the prerogative dency. America's political need of the political leader. for an understanding on weapons with the Soviet Union is as great as its economic need for a modus vivendi on trade with Japan. Both may turn out to be most easily achieved at Europe's expense, unless Europe develops a greater capacity to act, as well as speak, in its own interest. Developing that capacity should be seen as Britain's and, therefore, the task to which Mrs Thatcher's international

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# FINANCIALTIMES

Tuesday June 23 1987

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Mark Newham reports from a region disappearing under the sand

# Fight to halt spreading Sahara

OURSI IS NOT a desert town - yet. But the tide of sand sweeping down from the Sahara threatens to engulf this remote northern outpost of Burkina Faso (formerly Upper Volta) unless urgent action is taken.

Already, vivid ochre-coloured dunes have swamped vast areas of fertile pasture which, until the early 1960s, supported extensive cattle herds and gave the farmers of Our-si twice as much grain each year as granary of the Sahel - the fragile strip of transition between the Sahara and the African savannah but is now a net grain importer.

To compound the problem, the dunes have blocked the inlets to Oursi's lake. All that is left of what was once a permanent 8km reservoir where a fishing industry once thrived is a muddy strip where goats and donkeys paw the ground in a futile search for the water the town once took for granted.

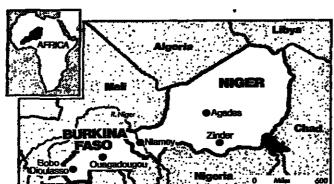
This is the tragedy of the creeping desertification overtaking the Sahel at a rate estimated at between 18km and 40km a year.

Oursi's elders blame climatic change. Government officials think they know better. Research has shown that desertification in the Sahel is caused primarily by the booming population overgrazing and over-cultivating the land. Deforestation leads to soil erosion and as the soil is blown or washed away, the desert gradually takes hold.

Reforestation on a massive scale is needed, but it is no simple task. The governments and research organisations involved are far from understanding the nature and extent of the problem. There are no reliable figures on the rate of desertification of the Sahel and no data on how fast it is losing its natural

Even the Permanent Interstate

In Niger, most of the replanting is
Committee on Drought Control in being carried out within 100km of



countries from Cape Verde in the west to Chad in the east, has yet to piece the jigsaw together. According to Burkina Faso's drought control co-ordinator, Mr Andre Roch-Compacre, the organisation simply does not have the resources to sel up monitoring stations to track the desert's spread.

"We have to rely on sporadic re-ports from the affected regions, but even these represent only part of the problem since the process of desertification also starts from within the Sahel. It is not just the Sahara's fringe expansion that we have to

The UN's Food and Agriculture Organisation has produced figures on the problem but even these are given only guideline status. In the case of Niger and Burkina Faso, the FAO estimates that each lost about 60,000 hectares of natural vegeta tion a year between 1980 and 1985 while, in 1985, Burkina Faso had 22,000 hectares of reforestation projects under way and Niger had

STERLING

outpace the Treasury's projection of

That would put Britain near the

ague. The Paris-based Organisa-

Relative to the first quarter of

across the main industrial sectors.

was also an upsurge in construction activity, and in particular in hous-

Meanwhile, on the foreign ex-

recent days. Some economists have

been suggesting that the US currency has now "bottomed out" after its

two years of decline, but many oth-

ers are sceptical and believe that

the latest moves merely reflect a

The dollar closed in London at

Currencies, Page 35

temporary correction.

INDEX

the capital, Niamey, but as fuelwood plantations to feed Niamey's insatiable and growing demand for firewood and not, as one might ex-pect, as a green barrier against the

Furthermore, the species being planted, the fast-growing eucalyp-tus in the majority of cases, is wide-ly regarded by forestry experts as largely detrimental to the fragile soils of the region. The species returns little of the nutrients it uses in its growth and, after a few seasons of harvesting, the soil can be left more barren than it was before. In neighbouring Burkina Faso, the country's environmental advisers have at least recognised this problem, largely through the bitter experience of a failed 2,000ha eucal-

yptus experiment near Oursi. In a newly-created reforestation project being funded by the UN Decoment Programme and by West Germany, 15 areas in three of the country's most threatened regions are to be the subjects of projects incorporating the planting of 400ha areas of naturally-occurring tree

Comprehensive programmes are

areas for cropping, grazing and urthe population to the dangers of over-stepping the supportive capa-bilities of the land. Burkina Faso has introduced a state-run wood supply agency in an effort to outlaw the anarchic practises of the cowboy woodcutters.

It is not just indiscriminate tree felling that is worrying the authorities, however. Farmers are pushing further and further towards the extreme limits of the Sahel's poten tially fertile land in an effort to feed themselves. One organisation now experimenting on a 500ha research farm in Niger believes it has the answer to the problem.

The International Crops Re-search Institute for the Semi-Arid Tropics says lack of soil fertility, especially the lack of phosphate in the soil, is a greater problem for agri-culture in the Sahel than lack of moisture. Even in the driest regions, the crop yield could be doubled or trebled if farmers added phosphate fertilisers and farming efficiencies could be increased by 75 per cent with the use of simple

The institute was partly responsible for the green revolution in India but "the Sahel should not expect a similar miracle" says the organisa-tion's executive director, Mr Ron Gibbons. India simply had better resources than the Sahel, Indians applied the suggested techniques with great vigour and the country's scientific establishment went to great lengths to see that research data was widely distributed.

The inhabitants of Oursi, however, have two main concerns where tomorrow's food will come from and whose house will be next

# Toshiba sales cloud **US** trip to Tokyo

By Peter Bruce in Tokyo.

FRESH REPORTS of illegal sales of sophisticated Japanese machine tools to the Soviet Union threaten to turn a routine visit to Tokyo this week by Mr Caspar Weinberger, the US Defence Secretary, into a

Mr Weinberger has made clear in interviews with Japanese newspapters that he is going to demand heavy compensation for the \$30bn damage to Western security the US estimates has been caused by the machine tool sales.

The Soviet Union began buying the Toshiba tools in the early 1980s with a view to making quieter and more efficient submarine and surface ship propellors. Last week, the US Defence Department reported that the propeller noise from a Soviet nuclear-powered submarine newly arrived in the Atlantic was difficult for Nato's seabed listening devices to detect.

The Pentagon concluded that the propellors were produced on miliing machines supplied by Toshiba Machine, Toshiba's machine tool

US fury over the sales to the So-viet Union by a subsidiary of Toshiba, one of Japan's biggest defence contractors, grew last week when it was learned that the company had made two such deals, shipping a total of eight precision milling ma-

It would be difficult to exaggerate the potential damage to Nato's defence system. Nato has set up a patchwork of listening devices on the sea-bed between Greenland, Iceland and the UK. The devices are used in conjunction with equipment on Nato ships and submarines to pick up the distinctive sound of Soviet propellors. As a result of the Toshiba sales, Nato may have to revise its entire submarine detection

Mr Weinberger, who flies to To-kyo at the end of the week, will probably demand a great deal of money from Toshiba - or the Japa-nese Government - in compensa-

The Pentagon has already taken unilateral action against Toshiba, stopping a possible order for 90,000 Toshiba lap-top computers for the US Air Force, worth \$100m and halting the transfer of missile guidance technology from Toshiba to

the US Army.

Nervous Toshiba officials in Tokyo and in the US complain that the entire group is being attacked for something done by an independent subsidiary. Toshiba Machine was fined last month by the Government and has been banned from exporting anything to communist countries for a year. Its chairman resigned in disgrace and two for-mer managers are in jail.

But the nightmare may have only just begun for Toshiba, which is keen to participate in the US Strategic Defence Initiative (SDI) research programme. The punish-ment imposed on the company was for the sale of four milling machines capable of nine-axis operation, plus the necessary computer software, between 1981 and 1983.

However, it emerged last week that after that first deal, which police in Tokyo say was organised by KGB agents posing as Soviet trade officials, Toshiba Machine shipped a further four five-axis milling ma chines to the Soviet Union in April and May 1984.

The first, bigger machines cut propellers up to 11 metres wide and the smallers ones can make propellers up to 4.5 metres wide. The export of these machines to the Soviet Union is forbidden under the co-ordinating committee (Cocom) rules that govern the transfer of Western technology to communist countries.

The apparent scale of deceit Toshiba Machine used to get the milling machines to the Soviet Union has especially angered the Americans. In order to circumvent Cocom rules, the company is thought first to have imported rela tively common two-axis numerical controls from Kongsberg Vaapenfabrikk, the Norwegian arms producer, and then to have reprogrammed them to handle nine axes simul-

#### THE LEX COLUMN

# Not so common wealth

a great track record and it is wise of the vendors' advisers to limit this more paper, which might have been a case of dilution not to taste.

In sterung's fall yesterday was last October, and he makes no section to be recorded it is wise of the vendors' advisers to limit this more paper, which might have been attempt to a quarter or less of the instead of 72.0 in the early after. dollar strength story will no longer do. The simple answer is probably the best, holders have big profits to slip were even more anxious to grab them. Or perhaps it really was all engineered by the authorities to get the pound into the EMS at a more comfortable rate.

TSB/Target

#### British & Commonwealth

The Cayzer family has been such a notable contributor to the coffers of the Conservative Party over the years, that perhaps the Govern-ment will not begrudge them the £150m they have kept from the Inland Revenue by selling out of British & Commonwealth tax free. The transfer of value from seller to buyer will be complete in 1991, nicely within the expected lifetime of the present administration. It was a very neat trick to sell the shares back to B&C, since the cash received counts as distribution, and so far from being subject to CGT, is franked investment income that can be passed straight though to shareholders in Caledonia Investments. No wonder the market value of Caledonia rose by about 13 per cent yesterday. To gain similar val-ue from a one-off sale to a third party would have required a bid premım style price of about £6 a share, and it is by no means clear that B&C under the highly regarded Mr John Gunn is on any hit list, Antip-

odean or otherwise. A cruel interpretation of the deal is that the Cayzers feel that they can manage their funds more impressively on their own than through the medium of the B&C management. More to the point, Mr Gunn had diluted the family stake far more quickly than they had imagined when they appointed him

noon had currency dealers really tion of the family stake to below 5 worried for a few minutes. Even when that problem was solved, explanations for the pound's weak
for the 11p rise to 462p in the B&C bess were hard to come by and the price is more that the deal will enhance its earnings per share by about 10 per cent over the period from 1988 to 1991, since the schedtake and once sterling started to ule of payments is tailor-made to

TSB's acquisition of Target may marginally depress earnings this year, but if you are protected from takeover for five years there is no point in squandering opportunities. The longer-term prospects look sound enough and the breadth of di-versification should help cultivate the image (and rating) of a financial services group, rather than a mere bank with other bits. Judging by Target's "appraisal value," TSB is paying an exit multiple of about 15, which is not ruinous so long as the Target management does not melt

Target shareholders have me diate cause to celebrate. They won a premium over the likely flotation price and they should now avoid the SIB-induced squeeze facing those life assurance groups without strong direct sales forces. There may not be much synergy, but there are many life companies which might be glad of similar friendly mergers.

Now that private investors have got the hang of lesson one in the share owning made simple course how to make a risk-free profit on market itself now starting to slip privatisations - the Government is starting on lesson two - tenders. This one is much harder to grasp and smaller buyers are being ex-

Tender offers for sale do not have ample.

later. But even this element of mar-ket price fixing adds a deal of risk to the process, particularly at a time when the equity market is looking a little wobbly. If institutions can buy big blocks of shares in the tender offer they will not need to mop up so much stock from the small stags in the aftermarket. And if tenderers fail to understand that they must pay the price they specify and not a lower striking price there could be some quick sellers. If small investors become convinced that early dealings in the shares will not provide huge profits, they could be less enthusiastic about applying for the

fixed price issue. In any case, the extra money raised by the tender is likely to be small in relation to the total issue. And as the fixed price may well be shaded a few pence to encourage the tenderers, the net effect will do little to counter criticisms of selling assets too cheaply.

#### Japanese investment

After a close study of Japanese investment flows, Credit Suisse First Boston has come to the unremarkable conclusion that Japanese demand for US dollar bonds will decline while demand for UK, German and Australian bonds, and various equities, will rise. But as most observers agree that Japanese investment preferences are now dominated by currency expectations, the interesting question is why the share of US bonds has fallen only from 75.9 per cent in 1983-85 to 74.24 per cent in 1986. The usual explanations for this – such as no tradition of marking to market and nowhere else of sufficient liquidity to go some time. And with the Japanese (removing the cushion from US bond underperformance) the trends towards diversification could soon be established with a vengeance, in the London property market for ex-

# **British growth rises** but sterling slides

BY PHILIP STEPHENS, IN LONDON

Britain accelerated in the first three months of this year, with most sectors of industry performing well and a slowdown in consumer spending offset by a much improved trade performance.

The good news on the economy. however, was marred yesterday by a further slide in sterling's value. The pound, which has suffered from post-election jitters since June 11, was hit by a sharp rise in the dollar on foreign exchange mar-

That triggered additional losses for sterling against European cur-rencies, especially the D-Mark. The sterling index, which measures the pound's value against the currencies of Britain's main trading partners, is now 2.2 per cent lower than top of the international growth on election day. June 11. tion for Economic Co-operation and The turnaround in sentiment to-

wards sterling again spilled over in-to the equity and into the govern-average growth rate of its 24 memment bond markets. Long-dated ber countries will be 2-4 per cent gilt-edged securities showed losses this year. anging up to 1% points, while the FT ordinary share index fell by 21.3 1986, the latest figures for Britain points to 1,737. show growth spread fairly evenly Apart from the dollar's recovery, Manufacturing output was more than 4 per cent higher than a year

foreign exchange dealers believe that the pound's relative weakness reflects a combination of profit-tak- earlier, while there was comparable ing after the election and a resur- growth in service industries. There gence of concerns about inflation and the balance of payments. Those concerns are in part at ing starts.

least a reaction to the recent strength of the economy, although change markets yesterday, traders there has been little tangible evidence of a significant deterioration strength of the dollar's recovery in in either inflation or trade pros-The preliminary growth figures released by the Central Statistical Office yesterday show that the average measure of Britain's gross do-

mestic product rose by 1.3 per cent between the fourth quarter of last year and the first of 1987. That put it 3.3 per cent higher than in the first three months of 1986.

The figures reinforced expectations of the figures of t

tions among City of London econo-mists that growth this year may

World Weather

# Silkworm missiles deployed by Iran

range. They have an explosive capacity about three times that of an

deploying the Chinese missiles in the southern Gulf overlooking the Strait of Hormuz because of the threat to shipping. The Silkworms, which are fairly

crude devices, are relatively inexpensive. The surface to ship missiles are capable of causing serious damage to large vessels.

The newly deployed missiles on Fao are also within range of Iraq's

naval base of Umm al Qasr, acce ble by way of the Khawr Abdallah channel at the northern end of the Gulf.

A Western official said it was unclear whether the Silkworms on Fao were as yet fully operational. In January, at about the time of a meeting of the Islamic Conference Organisation here, Iran fired two missiles, thought to be of Russian manufacture, towards Kuwait. Neither caused damage.

Iranian troops occupied Fao early

Exocet. Mr Hussein Mousavi, Iran's The US has warned Iran against Prime Minister, said the attacks

Iraqi planes overfly Kuwait in neir missions in the northern Gulf. Arms for Iraq, mostly from the So-viet Union, are transhipped through Meanwhile, Iran says its troops

The Iranian news agency, Irna

fensive was launched in retaliation for renewed Iraqi attacks on shipping in the Gulf.

#### IRAN HAS BEGUN deploying Chinese supplied Silkworm missiles on in 1986 in what was seen as a major the Fao peninsula at the northern setback for Iraq. Subsequent furiend of the Gulf, according to West-ern officials here. ous attempts to dislodge the Irani-ans failed.

of about 50 miles, pose a new threat Kuwait over its support for Iraq in to Kuwait and its oil installations the Gulf war. This followed rewhich would be well within their newed Iraqi air strikes against tankers servicing Iranian ports in the northern Gulf.

were carried out with the "help of facilities of Kuwait." Their purpose was "to pave the way for America's presence in the region.

a Kuwaiti port. have seized the Iraqi border town of Mawat. 60 miles north of the key Iraqi Kirkuk oilfields.

said 2,000 Iraqi troops were killed in the battle for Mawat. It said the of-

An Iraqi military spokesman de nied the Iranian reports. He said the situation was stable in all border villages and towns of northern

# **UK** airports group sale likely to raise over £1bn

BY RICHARD TOMKINS IN LONDON

BAA, the British airports group, is to be floated on the London stock market through a unique hybrid is-sue which will comprise a fixed price offer and a tender offer of its

The UK Government yesterday published the prospectus for a flota-tion aimed at achieving the twin ob-jectives of securing the best possi-ble price for the company and of further extending share ownership among the British public. Next month's flotation is expect-

ed to value BAA at between £1.1bm and £1.2bm (\$1.9bm). All the company's 500m shares will be sold, about three-quarters of them through a normal fixed-priced offer and the rest through an unusual tender.

Investors will be allowed to make a single application for shares in the fixed-price offer plus as many applications as they like in the ten-

Successful tender applications will be accepted at the price tendered: there will be no common striking price, as in conventional ten-der offers. If this part of the offer is oversubscribed, a cut-off price will be set and all applications above that price will be accepted in full. This method of tendering is virtually unknown in UK equity offerings, although it is more common in the gifts market. Mr Paul Channon, the Transport

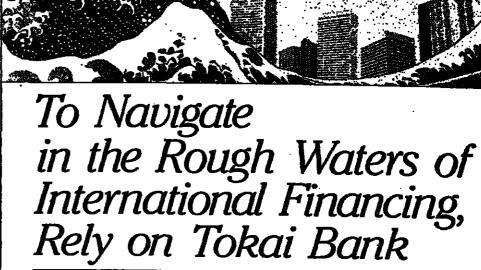
Secretary, said the tender would enable investors to obtain larger hold-ings than in other recent privatisations. However, the Government had decided against a full tender because millions of other would-be investors were unfamiliar with the

The Government's intention to pitch the fixed price offer at the small investor is reflected in a particularly low minimum application level of 150 shares, compared with 400 for the Rolls-Royce issue earlier this year. However, the minimum tender application will be for 1,000

The issue is already attracting a strong response. Almost 500,000 people have registered with the BAA share information office com-pared with half as many at the same stage of the Rolls-Royce offer.

Mr Channon said he expected substantial demand for the shares from the UK public and institu-tions. No overseas offerings had been arranged, but overseas inves-tors would be able to apply for shares in the fixed-price and tender

The share price will be payable in two instalments, one on application and the other by May next year. The pricing of the offer will be pub-lished on July 8 and the prospectus will be published two days later.



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# SECTION II - COMPANIES AND MARKETS

# **FINANCIAL TIMES**

Tuesday June 23 1987

ics division of the state-owned

Thomson defence and electronics

But with last week's agreement to buy Thorn-EMI's television and

other electronic brown goods opera-

He acknowledged that Thomson had faced difficulties after 1981 in

this sector. But after major restruc-

turings, TGP has staged a strong re-covery with its operating profits

more than doubling to over FFr

800m (\$131.3m) last year compared

Mr Alain Gomez, Thomson chair-

April and lifted any remaining

doubts about the future of these ac-

tivities when he emphasised that

alongside the Thomson CSF de-

Before the latest deal with Thorn,

Thomson's consumer electronics di-

vision accounted for FFr 20.5bn of

the group's total sales last year of

with the year before.

this cut-throat industry.



# TSB puts in £220m agreed bid for Target

BY HUGO DIXON AND NICK BUNKER IN LONDON

TSB, the UK financial services group, yesterday made a £220m (\$358m) agreed bid for Target, the unlisted life company, in what is £1.50n stock-market flotation last of TSB, said it would have been a

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The deal was part of the TSB's strategy of building a strong presence in growth sectors of the financial services market, Sir John Read, chairman, said.

Target's unit-linked life products. which are largely sold through independent intermediaries to weal-thy individuals, would complement the activities of TSB Trust Company, which sell life products mainly to the bank's less wealthy customers through a direct sales force, he

TSB Group's own life subsidiary, TSB Life, has doubled its sales force to 400 since 1984, but its traditional customer base has been similar to that of the Prudential Corporation while Target has been oriented to the same type of wealthy cus-tomers as Allied Dunbar or Abbey Life, the UK's biggest unit-linked

Target, which had been planning to announce a stock market flotation before TSB made its approach, would benefit from increased resources which could be used for acquisitions and would be freed from vagaries of the stock market, Mr John Stone, its managing director,

The price of £220m included a "fair bid premium" on top of what a flotation of Target was likely to have realised, Mr Stone said. Target's pre-tax profits for 1987 are ex-

pected to be at least £10m. Both TSB and Target stressed

get would retain its managemen and continue to operate as an independent company within the group. Target said it would not have agreed to the deal otherwise and Mr Philip Charlton, chief executive

with TSB Trust Company. Sir John did, however, sugges that there would be opportunities for the two companies to cross-sell products to each other's customers though he refused to specify what

"kiss of death" to integrate Target

Opportunities to cross-sell life and unit-trust products will, in fact, be outlawed under investor protection rules devised by the Securities and Investments Board. That means cross-selling will be limited to the group's other products.

Since its flotation last year, TSB has come in for much criticism for failing to find a more imaginative use for the proceeds than investing them in gilts and other low-yielding assets. Sir John made it clear he hoped that chapter had ended.

So far nearly 70 per cent of Target's shareholders have accepted the offer. These include Morgan Grenfell, the merchant bank group, which had a stake of 19.9 per cent.

of Target from Charterhouse J. Rothschild and the Reliance group in 1984 for £52m. Morgan Grenfell has therefore made a profit of C33m, which it will be adding to its war chest, Mr John Craven, its chief executive, said.

Other quoted shareholders of

### **Salomon** stake crucial in bid

By Anatole Kaletsky in New York SALOMON BROTHERS has

acquired convertible debentures in Harcourt Brace Jovanovich, the US publishing house, for about \$35m, and not for \$350m, as stated in yesterday's Financial Times.

Salomon said the 21,987 debentures, which have a face value of \$1,000 each, were bought for prices ranging from \$1,332 and \$1,848 between May 21 and June 12.

Although the Salomon holding was acquired purely for arbitrage purposes and not on behalf of any client, it could potentially be convertible into as much as 36 per cent of Harcourt's equity and therefore play a decisive role in Harcourt's attempts to fight off the takeover bid from Mr Robert Maxwell's British Printing and Communications Corporation.

The precise impact should be determined this week in a Florida court, which will adjudicate a dispute over conversion rights between Harcourt and the debenture holder's trustee, Suntrust Banks, which is backed by Salomon Broth-

Prior to the recapitalisation, each \$1,000 debenture was convertible into 29.4 common shares at a price of \$34 a share. The debenture agreement, however, provided for It arranged the original buy-out in the event of major changes in the company's financial condition.

The debenture holders are arguing that the recapitalisation dilutes their interests in the company to such a degree that each debenture should become convertible into 1,000 common shares at only \$1 a share. This would make Salomon's Target include Transcontinental stake convertible into 21.9m shares, Services Group and Scottish Mort- or 36 per cent of the recapitalised

BARELY six months ago, specula-tion was still rife in France over the largest market in Europe for televifuture of the big consumer electron-

Mr Garcin said negotiations to buy the Ferguson business from Thorn took barely two weeks. Thomson was anxious to buy these businesses to penetrate the UK market and to prevent another competitor from acquiring the oper-

group has firmly underlined its in-Mr Garcin said Thomson, already tention to remain one of the few a close partner of Thorn-EMI in the last leading European players in video cassette recorder joint venture grouping the two European companies with JVC of Japan, had "The UK operations which we are buying will comfort our position as been aware for some time that number two in Europe after Phi-Thorn would have to search for a lips," explained Mr Pierre Garcin, longer-term solution to its consumthe new chief executive of Thomer electronics businesses by inteson's consumer electronics division, Thomson Grand Public (TGP). Mr grating them with another group.

"The managers of Thorn reached the same conclusion as us which led to the present deal," he said. Garcin had always been somewhat astonished by speculation in France during the last few years that Thomson intended to withdraw from the brown goods business.

Thomson started building up its presence in the consumer electronics market in 1963 with a systematic series of acquisitions in France and Europe. In 1971, its consumer electronics sales totalled FFr 6.5bn in current francs.

Thomson took over GE's Spanish operations in 1974 and made a number of other acquisitions, culminat-ing with the purchase of Telefunken in 1983 after failing against Phiman, confirmed these results last lips to buy Grundig. At that time Thomson saw its annual sales rise in this sector to FFr 20.5bn.

However, to remain competitive they would continue to be one of the the French group felt it still needed major core businesses of the group, to increase its critical size in Europe and especially penetrate the fence and professional electronics

Thomson manufactures about 2.8m colour television sets a year and 700,000 video cassette recorders. The Thorn businesses will add 700,000 colour TV sets a year and 300,000 video cassette recorders. With annual production of about

The acquisition of Thorn's Ferguson television business will add 3.5m colour TV sets, Thomson will about FFr 3bn of additional annual he fourth in the world league after sales to the Thomson consumer op-erations. More significantly, it will Grundig, makes 6.9m sets, Matsu-



Paul Betts examines the competitive strategy of France's big electronics group

Thomson recovers rating in TV market

core business.

Japanese companies including San-yo, Hitachi and Sharp-Toshiba nose production averages about the same as Thomson's with the addition of Ferguson.

While Thomson has reinforced its core consumer electronics businesses by external acquisitions -the Thorn deal being the latest - it has also done a lot of spring cleaning inside the group, restructuring operations and shedding what it considered as non-strategic businesses such as car radios and heat-

Faced with growing international competition, especially from the Far East, Thomson is cutting its consumer products workforce from 36,000 at the end of 1984 to a target of 29,000 by the end of this year.

In the last few years it has also transferred production of a number of products from France to the Far East to reduce production costs and compete against lower cost producers. This has been the case of both Thomson's personal computer and hi-fi audio business.

Thomson, says Mr Garcin, now

force behind streamlining operations to restore the group to the black. Speculation that the consumer electronics business would be sold off in the same way as the civil communications unit has been quashed by a successful programme of

when one considers that hourly costs per employee, including sala-ries and social and other related

charges, have risen from FFr 45 in

1981 in France to the present level

of FFr 85 an hour, at least in the

In the same period, Mr Garcin ex-

plained, equivalent hourly costs rose from FFr 10 in 1981 to the cur-

rent level of FFr 12.50 in Singapore.

Although Thomson has recently

lost heavily on personal computers

- as much as FFr 300m last year -

consumer electronics sector.

been transferred offshore.

Mr Alain Gomez, left,

the chairman of Thom-

son, has been a driving

through acquisitions, Mr Garcin said Thomson, which "earns a good living from domestic appliances," felt this was a peculiarly domestic type of business because of the difrestructuring and by the rences in appliances and traditions in various countries.

If there have been doubts about desire to maintain the brown goods unit as a

the future of Thomson's consumer electronics business, it is likely they have been caused by the wide spread public perception over the general strategy of Mr Gomez.

The Thomson chairman has regu

appliances sector. Thomson showed

no interest whatsoever in Thorn's

white goods operations which have

In the white goods sector, which

group's annual sales. Thomson has

preferred a distinctly domestic ap-

proach. Although competitors like

Electrolux or Italian manufacturers

have sought to develop exports and

internationalise their operations

been sold to Electrolux of Sweden.

plants in Singapore, Thailand and Malaysia. Hourly costs per employlarly emphasised that he would shed businesses which were not ee were as low as FFr 3.7 in Malaysia and FFr 12.5 in Singapore comeconomically sound in his efforts to pared with as much as FFr 85 in restore the Thomson group to the The problem of competitiveness is even more eloquently reflected

After shedding Thomson's civil telecommunications business to the French CGE-Alcatel group, there was speculation about the future of the consumer business which started facing severe difficulties about six years ago after previously being

But as was the case with Thomson's medical equipment business, which Mr Gomez considered selling before its successful restructuring and return to profitability, the consumer electronics business appears to have won its spurs.

Mr Garcin said this sector ceased Thomson is among the French losing money after production had state companies to be eventually floated under the French Govern-If Thomson seized the Ferguson ment's privatisation programme, and, with the Thorn deal, it has conopportunity when it came up as part of its international expansion firmed its ambitions to remain one strategy in the brown goods mar- of the last major European players ket, it has taken the opposite apin the Japanese dominated market give the French group access to the chita with 6m sets and a group of employs more than 3,500 people in proach in the white goods domestic : of electronic brown goods.

# Moulinex forecasts FFr 41.7m loss

BY GEORGE GRAHAM IN PARIS

MOULINEX, the troubled French Mr Rotan Darneau, the compakitchen equipment maker, has re-vised its forecasts for this year's rector, made the forecast following a cyclical reduction in sales of 17

Despite the deterioration of its earnings forecast, Moulinex still erating profit would be FFr 206m per cent lower than in the same peclaims a substantial improvement this year if the effects of short-time from last year, when it lost FFr working were excluded, compared new sales policy, which includes 226m, mainly because of heavy re- with only FFr 1m in 1986 on the higher prices on a recentred prod-

BY OUR NEW YORK STAFF

AMERICAN BRANDS, the diversi-

fied tobacco, liquor and consumer products company, is buying Acco

World corporation, a leading suppli-er of office products, in an agreed

ynwards to a loss of FFr the leak of extracts from a report per cent in the first quarter of the

same basis.

American Brands buys Acco World

Acco, which is based near Chica-

go, has sales of \$250m and is a lead-ing manufacturer and marketer of

paper clips, staples, paper binders, computer supplies and other office

The company has had to revise 41.7m (\$6.8m) after earlier predicting that it would break even.

Despite the deterioration of its

On Moulinex carried out by the accounting firm Sundex.

Mr Darneau said Moulinex's optial sales to the end of May only 12 riod of 1986. This showed that the uct range, was bearing fruit.

# into front seat in Italy

By Our Paris Staff

leading European car seat manufac turer, is expanding into Italy with the acquisition of Sicam, the main

The purchase extends Epeda's position in the European market where it already owns Schmitz and Co in West Germany as well as being present in Spain and Portugal. Epeda is also dominant in its native French market, where earlier

tract to supply Renault with car to the Monopolies and Mergers seats, taking over in the process the ommission.

Both companies have a large manufacturing subsidiary, Sotexo. presence in Britain - American Sicam's reached L90bn (\$68m) in rands through Ofrex, part of the 1986. The company owns three car Gallaher tobacco and office prodseat plants. It had already set up a ucts subsidiary. In the year to March 31, Acco had

can Brands' office products group, which has sales of \$347m annually and owns Swingline, the world's largest manufacturer of staples.

SEM ACCO'S SLAPING DISCHESS and the position of the minor office product lines two other minor office product lines net income of \$23.2m, or \$1.12 a share. Acco's shares jumped \$5 to merger, which is also conditional on no reference being made in Britain

New Matter of, Acco had been methanisms.

The Italian company will be integrated into Epeda's car seat divisional holding company, Bertrand York on news of the merger.

# Epeda moves

EPEDA-BERTRAND Faure, the Alfa Romeo.

this year it signed an exclusive con-

joint venture with Epeda, Cousin Italia, to build seat mechanisms.



The Acco acquisition will American Brands has agreed to strengthen the position of American Acco's stapling business and

#### Scandinavian Finance B.V.

U.S.\$70,000,000 **Floating Rate Serial Notes** due December 1993 Guaranteed on a subordinated basis by

**Scandinavian Bank Limited** 

(Incorporated in England with limited liability) For the six months

23rd June, 1987 to 23rd December, 1987 In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 79/16 per cent and that the interest payable on the relevant interest payment date, 23rd December, 1987 against Coupon No. 8 will be US\$384-43 per Note.

Agent Bank: Morgan Guaranty Trust Company of New York

# Crédit National

In accordance with the terms and conditions of the Notes,

The interest payable on the relevant interest payment date, September 23, 1987, will be FF 216.58 per Note of FF 10,000 nominal and FF 2165,83 per Note of FF 100,000 nominal

**KREDIETBANK** 

# **Eni International Bank Limited**

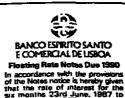
U.S. \$200,000,000 Guaranteed Floating Rate Notes due 1993
Unconditionally and irrevocably guaranteed by Ente Nazionale Idrocarburi

In accordance with the terms and conditions of the Notes, the rate of interest for the interest period June 23, 1987 to September 23, 1987 has been fixed at 71/4% per annum. Interest payable on September 23, 1987 will be US\$185.28 per Note of

Morgan Guaranty Trust Company of New York London Branch



notice is hereby given that for the interest period from June 23, 1987 to September 23, 1987 the Notes will carry an interest rate of 8,475 % per annum.

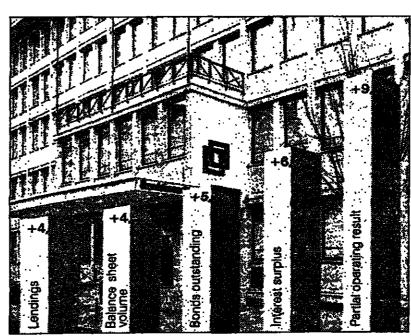


ocial Times is proposing publishing this Survey on LIGHT TRUCKS MONDAY JULY 13 1987 For full details, contact: COLIN DAVIES on 01-248 8006 ext 3240

FINANCIAL TIMES

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# **Mortgage and Communal Bonds Made in Germany**



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75.3

45.0

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Key figures from the 1986 Annual Report (DM m.);

10	
New loans thereof: mortgages loans to the public sector	3,981.2 1,988.1 1,993.1
Sales of bonds and other borrowings	4,360.7
Lendings thereof: mortgages loans to the public sector	26,851.8 14,159.8 12,692.0
Bonds outstanding incl.: mortgage bonds communal bonds	26,230.1 10,755.8 13,242.1
Share capital	76.8
Reserves	595.0
Balance sheet volume	29,241.8
Interest surplus	255.5

Staff and other operating expenses Partial operating result Taxes Net income for the year

We shall be pleased to send you, upon request, the text of the rating report and the Summary of our 1986 Annual Report, in English.

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Anniversary bonus



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May 198

# FINANCIAL SECURITY ASSURANCE.

# INTL. COS AND FINANCE

# Have your E.T. hand delivered... Lloyds Bank names new chief executive at Canadian unit

BY BERNARD SIMON IN TORONTO

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FINANCIAL TIMES

Sevilla

LLOYDS BANK is to put its stamp on its new Canadian subsidiary by appointing Mr David Drake, at present Birmingham regional directions with the Canadian operations with Lloyds's international activities.

Mr Drake's appointment means

present Birmingham regional director, as chief executive of Lloyds Bank Canada (LBC).

LBC became the biggest foreignowned bank in Canada last November when it acquired Continental Bank of Canada which was struggling to overcome a rum on wholescale description of the continent of the continent

sale deposits caused by a loss of confidence in the country's medium-sized and small banks.

Mr Drake, 45, succeeds Mr David Lewis, a Canadian who was Continental's chief executive. Mr Lewis, who will remain a vice-chairman of the bank, said that a senior Lloyds

banker with solid line experience
would best be able to take advan(US\$4.1bn) on April 30.

# Mobil unit predicts profits fall

MOBIL OIL, the West German subsidiary of Mobil Corp MOB, said it expects this year's profits to decline after 1986 profits fell to DM 230m (\$127m), from DM 352m in 1985, Reuter reports from Hamburg.

Herbert Detharding, managing board chairman, told a news conference that Mobil's refining and marketing sector recorded a loss of DM 14 a tonne in the first five months of this year. Last year that division returned to the black with an average profit of DM 26 a tonne. He said the fact that refining and marketing were making a loss again was largely due to the expiration of so-called netback contracts.

But Mr Detharding said Mobil
Oil's internal restructuring measures had ensured its survival, adding that the unit was also expected
to make a profit this year.

This announcement appears as a matter of record only.

#### DAF Finance Company N.V.

# **DAF Finance Company N.V.**

Dfls 100,000,000

**Commercial Paper Programme** 

Arranged by

Amsterdam-Rotterdam Bank N.V.

June, 1997



n 1986, the VIAG Consolidated Group's net income rose by DM 27 million to DM 149 million – a record result for the post-war period. This success stems from the performance of the energy sector as well as from the VIAG Group's industrial operations which include VAW AG (aluminium) and SKW Trostberg AG (chemicals).

Owing largely to the weakening of the US-dollar and falling gas prices, total Group sales dipped by 5.5% to DM 11.4 billion.

#### Energy – Above-Average Success

The VIAG electricity generating companies reported a 2.3% increase in sales to their supply areas; this contrasted with a stagnation in overall public sector electricity sales in West Germany. Sales of natural gas were down by 1.9% compared with an average decline of 2.2% for the country as a whole.

#### The Increasing Importance of Processing

The Group's processing capacity was further expanded in 1986. Sales were significantly up for rolled, extruded, and finished products. Sales of primary aluminium reached the previous year's level. VIAG has further strengthened its commitment to the packaging sector through the acquisition of BURGOPACK in Northern Irole.

# **A Record Performance**

#### Chemicals --Building for the Future

Sales of metallurgical products were increased. The building chemicals sector again showed favourable developments, whereas setbacks werde noted for other chemical products as a result of the decline in both the dollar and the price of oil.

#### Proposed Dividend of DM 6

VIAG will continue with its generous dividend policy for business year 1986. The Annual Shareholders' Meeting will be asked to approve an increase in the dividend from DM 5 to DM 6 per DM 50 share after strengthening the reserves. In terms of the average price of a VIAG share in 1986, this amounts to a return of 6% (including the German tax credit) – a yield substantially above the average for German shares overall.

#### VIAG-Shares – Energy Leads the Way

The VIAG share represents a well-balanced portfolio of investments in various subsidiaries. In 1986, three-quarters of the income from these investments stemmed directly from the energy sector – an assurance of dependable future returns. And through their expansion into promising new sectors, VIAG's industrial operations ensure both a continuing strong contribution and sound potential for the future.

#### Investment Exceeds One Billion D-marks

The VIAG Group pressed ahead with its vigorous investment policy. In 1986, capital investments again amounted to DM 1 billion. Projections call for investments totalling DM 4 billion over the next five years. The proceeds from the sale of two participations are to be committed to an expansion of business activities.

#### Optimism for 1987

Continuing solid revenues from a strong basis for future success by the 120 companies and over 30,000 employees comprising the VIAG Group. We are therefore confident, that the 1987 profits will be at the same high level as was achieved in 1986.

For further information, we invite you to complete the coupon below requesting our 1986 Annual Report or an informative brochure on the VIAG Group.

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I are interested in receiving m	ore information. Please send me:
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# INTERNATIONAL COMPANIES and FINANCE

# THE **NORTH WEST**

The Financial Times proposes to publish a Survey

on the above on

Friday, September 25th 1987

For a full editorial synopsis and details of available advertisement positions, please contact:

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**FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER**  Yoko Shibata on the seasonal threat of Japan's corporate racketeers

# Sokaiya set companies trembling

JUNE 26 is the busiest day in the year for Japan's corporate extortionists and racketeers,

known as Sokaiya.

That is the day that 1,067 of Japan's listed companies, representing 80 per cent of those quoted on the Tokyo Stock Exchange which have year-ends in march, hold their annual share-holders' meetings. Among them are the 13 "city" or commer-cial banks; Nippon Telegraph and Telephone (NTT), the most highly capitalised company in the world; Japan Air Lines; and Toshiba Machine, the group embroiled in controversy over its sales of sophisticated machine tools to the Soviet

Big or small, controversial or boring, all of these companies tremble at the thought of the Sokaiya. The Sokaiya extract money from companies by threatening to disturb meetings with harassing questions. In ex-change for payoffs, they offer various services such as the dis-creet warding off of troublesome questions from other share-holders.

With the Sokaiya's costly help, many companies manage to conclude their shareholder to conclude their shareholder to conclude their shareholder meetings peacefully and in orderly fashion with all proposals unanimously endorsed only 20 minutes or so after was that the gangsters would be discouraged by having to buy so many shares in order to participate. For example, they now have to pay Y4.8m to buy is why the police department, 1,000 shares in Sumitomo Bank. In response to company re-

in response to company requests, plans to assign 4,000 staff nationwide to shareholder meetings on Friday.

THE CARE AND FEEDING

OF A FORTUNE.

For example, this will be the first showdown experienced by NTT, the denationalised telecommunications giant, following its listing of shares on Japanese stock exchanges last February. The number of NTT shareholders reached 688,663 as of the end of March, of which nearly all were individual in-

The possibility of a Sokaiya presence at the annual meeting has become a matter of grave concern for NTT and the Tokyo concern for NTT and the Tokyo Metropolitan Police Department (MPD). NTT has sent invitations to the annual meeting to all of its shareholders, including those who own only one of its shares—they closed yesterday at Y2.53m (\$17.440) apiece. The high price per unit has led to a waiving of the usual exclusion from annual meetings of those holding less than 1,000 shares. less than 1,000 shares. It could be a golden oppor-tunity for Sokalya to show their strength at the first annual meeting of the market

It is five years since the com-mercial code was revised with

Also, under the revised law, corporate executives can be fined for providing any sort of payoffs or benefits.

apparently shrunk from their heyday level of about 5,000, heyday level of about 5,000, though those under police surveillance still number about 1,000. Of the shareholders' meetings held by 470 companies in the January-May period of this year, only 16 were longer than two hours, compared with 42 last year. Since police picked up Isetan, a leading department store, paying off the Sakaiya in 1984, seven companies have been caught in Sokaiya connections, including such names as Noritake, the such names as Noritake, the tableware maker; Konishiroku Photo Industry, which produces under the Konika and U-Bix

brands; and Sumitomo Marine and Fire Insurance. However, Sokaiya are broadening their targets by infiltrating medium-sized com-panies outside Tokyo that have panies outside loxyo that have little experience in managing annual meetings and whose share prices are not at the stratospheric levels of many national companies. Moreover, the police fear that the Sokaiya are on the comeback trail with methods more sophisticated

methods more sophisticated than in the past.

In the first six months of this year, nine Sokaiya were arrested on charges of violating the second page. the commercial code. Justifying co-operation with extortionists, some companies say they do not want their president jeered at longed meeting such as the liberalising financial markets, record 13½-hour meeting by the Sokalya have acquired a Sony in 1985, would blacken their name. The police say corporate-Sokalya connections are and new instruments.

The ranks of Sokaiya have cleverly masked, and these apparently shrunk from their cases are only the tip of an neyday level of about 5,000, iceberg.

Sokaiya survival tactics have become increasingly cunning. For example, to give the black-mail a veneer of respectability, they lease potted plants to companies from which they pre-viously received funds. Or they sell them publications costing between Y100,000 and Y300,600 annually. Such publications sent by Sokaiya to companies num-ber about 400, according to the

Recently, a Sokaiya in Tokyo used a new ploy, sending three Americans and one Frenchman Americans and one Frenchman to a shareholders' meeting of a medium-sized company, putting questions in English and French in an attempt to drive the meeting into confusion. Other Sokaiya solicit money from companies by holding spurious business seminars and parties.

At the end of last month, the superintendent general of the MPD met with the presidents of 13 city banks and three long-term credit banks and pleaded for united efforts to eradicate the Sokaiya,

The banks are believed to be the most generous patrons of the Sokaiya, although not out of choice. In ferreting out in-formation about the banks, which have expanded the scope by Sokaiya at a meeting, and of their activities markedly that media coverage at a pro-since the Government began

**James Capel** 

fund venture

JAMES CAPEL, the London stockbroker owned by Hong-kong and Shanghai Banking

Corporation, has joined with Peking-linked financial insti-

tutions in fund management ventures aimed at attracting

capital from mainland China as well as within the British

as well as within the British administered territory.

Two joint venture companies are to be set up with Nanyang Commercial Bank (NCB), one of the Bank of China sister banks operating in Hong Kong, as well as Sin Hua Trust and Ming An Insurance They will seek to

Insurance. They will seek to develop investment manage

ment, unit trust and pension fund business.

Mr James Furgusson, inter-

national director and deputy chairman of James Capel, said in London yesterday on

his return from Hong Kong:
"We believe this is a notable
first in relationships with
mainland China in the fund
management field, which has

tremendous potential both in the immediate future and beyond 1997."

The ventures will start their existence under the banner of NCB, with it and Capel each holding 37.5 per cent. Sin Hna will own 15 per

cent and Ming An the remainder.

in Peking

By Gordon Cramb

# Rescue package for Sabah Bank

BY WONG SULONG IN KUALA LUMPUR

NEGOTIATIONS are in the final stages between Bank Negara, the Malaysian central bank, and the Sabah Government on a rescue package for the state-owned Sabah Bank.

Dr Jeffrey Kitigan, the outgoing Sabah Bank chairman, and brother of Datuk Pairin Kitigan, the Sabah Chief Minister, has confirmed that an injection of about 120m ringgit (US\$48m) is needed for the bank which has suffered losses bank which has suffered losses estimated at around 100m ringgit to 12071 ringgit.

Most of the losses were incurred because of bad or non-performing losses made to businessmen and politicians connected with the previous state government, and because of the recession in the timber and construction business.

The negotiations have narrowed down to two options: Bank Negara can either buy shares in Sabah Bank or it can grant it an interest-free loan.

largest bank, from its bad loans to Hong Kong property speculators.

Bank Negaral Injected 135.5m

Bank Negaral Injected 135.5m ringgit into United Asian Bank last November, and another 220m ringgit into Perwira Habib Bank in January to rescue the two institutions. The central bank now owns 58.9 per cent of the equity of UAB, and 49.4 per cent in PHB.

As part of the latest proposed rescue neckage, at its appual

rescue package, at its annual meeting next month Sabah Bank will seek authority to increase its current paid-up capital of 58.9m ringgit through a rights

Datuk Nicholas Fung, the former State Attorney General, will take over as its chairman. while a new general manager has been appointed.

The bank has seven branches, According to bankers, Sabah six in Sabah and one in Kuala Bank will be the fourth, and Lumpur. It has deposits of probably the last major rescue of a bank to be under- of 550m ringgit.

#### Sports Toto to be listed on Kuala Lumpur SE

BY OUR KUALA LUMPUR CORRESPONDENT

SPORTS TOTO, the Malaysian still controls the policies and government controlled lottery board organisation, is to gain a list- a speing on the Kuala Lumpur Stock share. Exchange, with a public offer of 5.25m shares at 2 ringgit each. The organisation was established by the government in 1969, and 70 per cent of the shares were sold to B and B Enterprise and Melewar Corporation in May 1985 under the stake to 7.5 per cent, with the state privatisation programme. gove However, the government cent.

board of Sports Toto through a special single management

Sports Toto is capitalised at 30m ringgit (US\$11.9m), divided into one ringgit shares. government retaining 30 per

#### CSR may buy into Singapore sugar refiner

CSR, Australia's largest sugar group, is seeking to expand into sugar refining overseas, with negotiations well advanced on gaining a stake in a Singapore refinery, Reuter reports from

Joint ventures in other Southeast Asian countries are also being examined, according to Mr Bryan Kelman, chief execu-

He declined to name the Singapore refinery but said the Kuok family and the Singapore government have holdings in it. CSR would want to manage any foreign refining venture, even if it did not have a majority of its equity.

At the same time, he said, CSR is not overly concerned at the intervention of Mr Ron Brierley's Industrial Equity and Mr Allan Hawkins' Equiticorp Tasman in takeover offers by CSR, for Pioneer Sugar and Monier in Australia.

THT OVERSEAS FINANCE N.V. 81% Convertible Guaranteed

ordinated Bonds 1990

Bonds (dated 11th December 1980) Convertible into Ordinary Stock Units of Thomas Nationwide Transport Limited

On behalf of Thomas Nationwide Transport Limited, Hambros Bank Limited hereby makes the following announcement:

As from 5th June, 1987, the conversion price in respect of each Ordinary Stock Unit, to which the above. Bondholders are entitled to convert, was altered from AS1.93 to AS1.83 as a result of a 1 for 5 bonus issue dated 9th June, 1987.

#### THE REPUBLIC OF TRINIDAD AND TOBAGO U.S.\$50,000,000

Floating Rate Notes due 1990 In accordance with the provisions of the Notes, notice is hereby given that the Rate of interest for the next interest Period has been fixed at 71% per annum. The Coupon Amount of US\$387.60 will be payable on 24th December 1987 against surrender of Coupon No. 9.

Manufacturers Hanover Limited Reference Agent 23rd June, 1987

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3.0



#### Korea Exchange Bank

£50,000,000 Floating Rate Notes due 1995





In accordance with the provisions of the above Notes, notice is hereby given that for the three months from 17th June 1987 to 17th September 1987, the Notes will carry an interest rate of

The interest payable on each £5,000.00 and £50,000.00 Note on the relevant interest payment date, 17th September 1987, against Coupon 9 will be £115.00 and £1.150.00 respectively.



CREDIT NATIONAL £100,000,000 Guaranteed Floating Rate Notes 1995

guaranteed as to payment
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interest by
THE REPUBLIC OF FRANCE FHE REPUBLIC UP FRANCE In accordance with the terms and conditions of the Notes, notice is hereby given that for the three month interest period from 18th Jun 1987, the Notes will carry a rate of interest o 5% per anamon. The relevant interest payment date will be 18th September 1987. The couper date will be 18th September 1987. The couper amount per 15000 will be 1813-42 payar amount per 15000 will be 1813-42 payar against surrender of coapon No: 15. Hambros Bank Limited Agent Bank

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MINDS OVER MONEY.°

# Euroyen sector prices hit by sharp falls in Tokyo

SHARP FALLS in yen bond and share prices in Tokyo yesterday shook the Euroyen market and the sector for equity related Eurobonds issued by Tananase companies.

Nevertheless, a jumbo account for equity warrants issue for Toyota is still expected to emerge on Thursday. Elsewhere, the Eurosterling bond market suffered falls of the toyota and the point in the five-year under

those of seasoned equity war-rants bonds by around four points, in the wake of the ing as yields became more tumble in the Tokyo markets.

A number of reasons were cited for the falls, including the bond market was cheered by weakening yen, a jump in short-term interest rates, and news that the Japanese Government would be issuing an additional YI,360bn worth of bonds in 1987-88.

Most of the falls in the Euroyen market occurred in the opening trades and dealers said that later in the day a few bargain-hunters began to

appear.
But the equity warrants sector showed no such signs of recovery. In the new issues market, two-way liquidity had virtually dried up by the after-noon and only offers were to be found on brokers' screens.

Dealers said they had been expecting a shakeout in this area given the welter of bonds

area given the wenter of bonds on ever-more expensive terms that have been appearing lately, especialy as in many cases comparable bonds could found at much cheaper levels in the secondary market.

isted

CAS PANDA COSTOS

i anda Lee

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Euroyen bond prices dropped up to one point in the five-year by as much as two points, and those of seasoned equity warrants bonds by assured for the pressure. But dealers said that some retail interest was surfac-

> the dollar's continuing strength, though no new issues appeared.

#### INTERNATIONAL BONDS

Two new bonds were launched in the Australian dollar bond market. First to emerge was an A\$50m four-year bond for Indosucz Australia, guaranteed by the parent, which was led by Credit Suisse

The 144 per cent issue, priced at 104, struck the market as tight compared with an out-standing 14; per cent three-year Indosuez bond, especially as the Australian dollar bond yield curve has become slightly positively sloping lately.

The second bond was an A\$50m three-year issue for Finance. vehicle for CGER, the Belgian

#### Pakistani fund attracts PRs 1bn

for a Pakistani leasing fund designed along Islamic finan-

GRINDLAYS BANK, part of profits rather than interest— the ANZ group, has attracted was a record for any public more than PRs 1bn (\$57.5m) offering in Pakistan. he equivalent of PRs 640m in subscriptions came from non-resident Pakistanis, who were cial priciples, making the issue resident Pakistanis, who were 12; times subscribed, writes Our Financial Staff.

According to the bank in tranche drew in PRS 367m

Nevertheless, a jumbo \$800m equity warrants issue for toyota is still expected to emerge on Thursday.

Elsewhere, the Eurosterling national led C\$75m five-year issue for Central Capital, the Canadian company which last week acquired a diversified financial services group controlled by

The bond was priced with a 10 per cent coupon and 101; issue price, so that it could be sold on an asset swap basis.

Banker Trust International led another issue in its series of synthetic floating rate notes backed by the rump bonds of Japanese equity warrants deals.

trolled by Canadian General

Japanese equity warrants deals. Yesterday's \$150m five-year issue—Tops Series Five—pays 15 basis points over six-month London interbank offered rate. is priced at 100.10, and is bacekd by \$215m worth of ex-Credit Lyonnal issued a Y10bn five-year 6 per cent issue priced at 108%. It was led by Nomura International and

Credit Lyonnais itself. In the D-Mark market, a DM 600m issue emerged for the World Bank—the largest issue since January—even though Euro and domestic bond prices

fell by up to 1½ points in the face of the strengthening dollar. The World Bank was understood to have been hoping to achieve a 6 per cent coupon on its 10-year bond, but the issue was eventually priced at 61 per cent with a 99½ issue price.
The bond, led by Deutsche
Bank, was still quoted well outside its 1½ per cent fees at
less 2½ bid.

In Swizerland, prices were unchanged in low turnover. Credit Sulsse announced a SFr 100m 10-year bond with Our Financial Staff.

According to the bank in Karachi, the response to First Grindlays Moderaba—a leasing venture which pay investors allocated nair the total PKS 80m SF 100m 10-year bond with on offer. A PKS 32m domestic five-year equity warrants for tranche drew in PRS 367m Rangue Bruxelles Lambert Rangue Bruxelles Lambert The state-run National International, guaranteed by the parent. The indicated coupon was 24 per cent.

#### **Bond sales** limits sought on Japanese insurers

By Yoko Shibata in Tokyo JAPANESE securities house are seeking to impose a set of limitations on the proposed over-the-counter sales of government bonds by life insurance companies.

The Ministry of Finance intends to allow life insurers to begin over-the-counter sales of the government bonds they underwrite as early as this October. At present, life and non-life insurance com-panies are barred from selling panies are parred from selling government bonds, even though they are members of the government bond under-writing syndicates.

The ministry's move arises from the fact that credit

associations, agricultural cooperatives and labour credit associations started such sales this April, and that post offices—which are not members of the government bond underwriting syndicates—are scheduled to begin over-the-counter sales of the govern-ment bonds from this October.

The life insurance industry, despite its consistent lobbying over the past five years, has been barred from selling government bonds over the counter as a result of the vehement opposition of the securities houses.

The security houses assert that the impact of sales of bonds by the life insurers will be profound, since the life insurance companies have strong, nationwide sales net-works which can mobilise up to 350,000 canvassers for their marketing efforts. Holdings of government bonds by the life insurance industry amount to

y4.000bn (\$27.5bn).

In allowing OTC sales of government bonds to life insurers, the MoF is understood to be imposing some restrictions, such as limiting them to selling over the counter only the newly issued long-term government bonds they underwrite. Life insurance companies are currently underwriting about 3 per cent of the new issue of the gov-ernment bonds.

In addition, the MoF is for the first time imposing a qualification test for life insurance salesmen to market government bonds.

have aiready planned to develop and sell new in-surance instruments that combine government bonds, such as variable life insurance policies and singlesurance poncies and single-premium endowment in-surance, in order to produce higher yields.

The securities industry has

against the new insurance instruments which combine government bonds with life insurance policies.

It is still not certain that

the insurance companies will be allowed to market the new instruments in October.

#### **Morgan Stanley** International director resigns

By Our Euromarkets Staff

MR PETER OGDEN, a prominent and long serving figure in the Eurobond market, has resigned from Morgan Stanley International, where he has been managing director with responsibility for new issues business, to devote himself to his own

devote himself to his own computer business.

"Im sorry to leave but I'm presented with an entrepreneurial opportunity that is hard to resist," Mr Ogden, 46, said yesterday. He has been with Morgan Stanley International for the past six years, having previously worked at Merrill Lynch and Continental Illinois.

worked at Merrill Lynch and Continental Illinois.

Morgan Stanley International, which has not yet appointed a replacement for Mr Ogden, built its Euromarkets reputation in the fixed and floating rate debt markets. More recently, however, it has been concentrating on international share issues and equity related bonds.

issues and equity related bonds.

Mr Ogden is chairman of two unquoted computer companies: Computacentre, a supplier fo micro-computer systems to large UK companies, which he set up with a friend in 1981, and which turned over £28m (\$45m) last year, and Computasoft, a financial software company.

Mr Ogden will be retained by Morgan Stanley International as an advisory director after his departure.

#### US QUARTERLIES

COMMISS COM		
Second quarter Revenue Net profits Not per share Revenue Net profits Net per share Revenue Net profits Net per share	52.3m 1.13 934.1m 81.8m	\$ 468.8m 54.4m 1.20
HUMANA Hospital menagement		
Third quarter	1988-87 \$ 1.02ba	1995-86 \$ 896.3m

# Arabs weigh Latin American debt

Bank of America and Manufac-turers Hanover, have been forced reluctantly to jump

add £466m to its loan loss reserves has shown that the need to establish favourable market credentials has crossed national boundaries.

the standards of many Western banks yet often significant in terms of their capital and their loan books.

America and other developing countries in the 1980s, will take similar dramatic steps.

The judgment of the market —that Citicorp's move was a countries of the market —that C countries total roughly another —that Citicorp's move was a Kuwait, which acquired the bulk "good thing" to be rewarded of its exposure through its with a higher valuation for its Paris-based subsidiary, FRAB shares — clearly provided an imperative for other banks to Commercial Bank of Saudi follow suit. Even those US banks arabia and the Paris-based lant able to withched such as PATI and JUACE. least able to withstand such an BAII and UBAF groups com-assault on their capital, such as plete the picture. In relation to its equity base, the Arab bank which is most

exposed to Latin America is Arlabank, a consortium owned The move last week by by 28 Arab and Latin National Westminster Bank to financial institutions. by 28 Arab and Latin American Its direct exposure of \$1.1bn was more than four times its free capital net of subordinated funds and fixed assets. The bank's 1986 accounts were

national boundaries.

Any pressure for the Arab banks to follow Citicorp's example seems unlikely to come from the Middle Eastern regulations of its Latin American portfolio, which accounts for have detected no pressure so far, and the relaxed attitude of supervisory authorities towards problems with corporate borrowers in the Gulf suggests that there wil be none in the future.

The leading eight Arab banks hold an estimated \$5hn of Latin American exposure, small by the standards of many Western and the relaxed attitude of supervisory authorities towards borrowers in the Gulf suggests that there wil be none in the future.

Any pressure for the Arab banks banks addition of its Latin American exposure, small by the standards of many Western bank's 1986 accounts were qualified by Arthur Andersen, bank's because of citiants, which has provided critianty surrounding the citibank, which has provided critianty surrounding the citibank, which has provided of rabout 25 per cent of problem loans, it would have to boost provisions to about the constitution is that of all the Gulf-based banks, ABC is the one most likely to take the would cost it \$400m. Indeed, the bank's survival depends the reserves totalled \$472m (out that the constitution of total shareholders' funds of total shar

Third World lending continues to gather pace.

The question being asked in the Middle East is whether the big international Arab banks, which cut their teeth on a diet of syndicated lending to Latin America and other developing countries in the 1980s, will take the largest of any Arab bank. According to its 1986 annual report, some 12.9 per cent of the shore banks, Arab Banking its earning assets are in Latin Corporation. Arlabank International and Gulf International Bank, have the largest exposure of any Arab bank. According to its 1986 annual report, some 12.9 per cent of the sample of any Arab bank. According to its 1986 annual report, some 12.9 per cent of the sample of any Arab bank. According to its 1986 annual report, some 12.9 per cent of the sample of any Arab bank. According to its 1986 annual report, some 12.9 per cent of the sample of any Arab bank. According to its 1986 annual report, some 12.9 per cent of the sample of any Arab bank. According to its 1986 annual report, some 12.9 per cent of the sample of any Arab bank. According to its 1986 annual report, some 12.9 per cent of the sample of any Arab banks. The sample of any Arab banks. According to its 1986 annual report, some 12.9 per cent of the sample of any Arab banks. According to its 1986 annual report, some 12.9 per cent of the sample of any Arab banks. According to its 1986 annual report, some 12.9 per cent of the sample of any Arab banks. According to its 1986 annual report, some 12.9 per cent of the sample of any Arab banks. According to its 1986 annual report, some 12.9 per cent of the sample of any Arab banks. According to its 1986 annual report, some 12.9 per cent of the sample of any Arab banks. According to its 1986 annual report, some 12.9 per cent of the sample of any Arab bank. According to its 1986 annual report, some 12.9 per cent of the sample of any Arab banks. According to its 1986 annual report, some 12.9 per cent of the sample of any Arab banks. According to its 1986 annual report, some 12.9 per cent of the sample of any exposure of around \$1.25bn.
Loans to other rescheduling

> LEAD MANAGED LOANS TO LATIN AMERICA 1977-83

Arab Banking Corporation Ariabank International Gulf International Bank At UBAF Group Saudi International Bank KFTCIC BAH Group National Con

Bank (Jeddah) Ali other Arab banks Source: Middle East Economic Survey

THE BANDWAGON set in their Third World lending is train last month by Citibank's usually extremely difficult to its exposure to Latin America American exposure of some adding of \$3bn to its reserves answer because of the poor to cover possible losses on its standard of reporting required to absolute terms, still be the total Latin American exposure of some absolute terms, still be the total Latin American exposure of some absolute terms, still be the total Latin American exposure of some absolute terms, still be the total Latin American exposure of some absolute terms, still be the total Latin American exposure of some absolute terms, still be the total Latin American exposure of some absolute terms, still be the total Latin American exposure of some absolute terms, still be the total Latin American exposure of some absolute terms, still be the total Latin American exposure of some absolute terms, still be the total Latin American exposure of some absolute terms, still be the total Latin American exposure of some absolute terms, still be the total Latin American exposure of some absolute terms, still be the total Latin American exposure of some absolute terms, still be the total Latin American exposure of some absolute terms, still be the total Latin American exposure of some absolute terms, still be the total Latin American exposure of some absolute terms, still be the total Latin American exposure to Latin American exposure to Latin American exposure to Latin American exposure to Latin American exposure of some absolute terms, still be the total Latin American exposure to Latin America Issued share capital amounted to \$530.5m, while shareholders'

funds total \$747.8m. GIB has been adjusting its
Latin American debt portfolio
using the secondary market
where prices for Third World loans are heavily discounted, swapping into countries it favours and away from those it does not. However, this process has involved no downward valuation of its portfolio.

GIB's biggest single problem, however, is not a Latin American country but a recalcitrant debtor much closer to home. Iraq, one of the bank's seven shareholder states, is estimated to owe GIB alone some \$500m. 433 Iraq's seven-year-old war with
335 Iran severely drained its
365 reserves, forcing it into
246 de facto reschedulings with
most of its creations.

The three main European-based Arab consortia—SIB, UBAF and BAII—are already engaged in raising capital in response to other problems and pressure from their regulatory

the standards of many Western banks yet often significant in terms of their capital and their loen books.

The question of whether they have sufficiently accounted for the standards of many Western Arab Banking Corporation allocation of some of these some of these some of the government of Kuwait, Libya and Abu losses would go a long way to meet this yardstick.

Gulf International Bank values represents only 12 per cent of shareholders' equity.

# UN proposal for developing countries' loans

BY WILLIAM DULLFORCE IN GENEVA

ESTABLISHMENT of a multilateral agency to buy the debt of developing countries from commercial banks, using mainly Japanese funds, has been pro-posed by the United Nations'

Department of International Economic and Social Affairs. The debt could be bought at current market value and con-verted into new forms of liability that could offer some liability that could offer some cial support from other relief, and a different maturity countries, is being considered structure, to the debtor countries, is being considered to tries, the department suggests in the annual UN World Economics Research, the survey reports.

However, the UN department restructuring process. It considered to survey and development, income countries, the survey the elimination of fees and commissions, the reduction of the survey income countries, the climination of fees and the shift from much reduction of the countries, the climination of fees and the shift from much reduction of the countries, the climination of fees and the shift from much reduction of the countries, the climination of fees and the shift from much reduction of the countries, the climination of fees and the shift from much reduction of the countries, the climination of fees and the shift from much reduction of the countries and the shift from much reduction of the countries and the shift f

Now that the market has dis- suggests that it would be better siders, nonetheless, that rebates

A debt restructuring facility, to be funded primarily through recycling part of Japan's external surplus but with finan
favourably the unded for a debt) must be framed to lead new approach to the debt crisis, ultimately to additional net the UN department notes flows of resources to low
favourably the trend towards income countries, the survey incident.

Now that the market has discounted the value of the commercial debt, both lenders and borrowers have an interest in "clearing the books" of the debt in its present form, the survey argues.

A debt restructuring facility, the befunded primarily through

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FINIECH

# ICI to sell on Stauffer activity for £389m cash

Imperial Chemical Industries has moved fast to sell on the speciality chemicals business of Stauffer Chemical for an effective \$625m (£389m) to Akzo America, a subsidiary of the Dutch chemicals and fibres

group.

ICI will get \$614m in cash and Akzo will also take on \$11m of long-term debt.

News of the sale follows ICI's \$1.69bn plan to purchase the Statefor Group announced. the Stauffer Group, announced less than three weeks ago. Stauffer itself is being sold on to ICI by Unilever, which acquired it as part of its \$3.2bn purchase of Chesebrough-Pond's

in December.
ICI's Stauffer acquisition is not due to be completed until next month, and the disposal of the speciality chemicals the speciality chemicals business is likely to be finalised

soon after that.

Mr Alan Clements, group finance director, said: "It may not be the same day, but it will be in a very short while. "
Yesterday, ICI shares—
which have edged back since
the Stauffer announcement on some fears about gearing levels
— gained 34p to 147p.

Mr Clements added that ICI

has seen "quite a lot of interest" both for the speciality chemicals business and the basic chemicals interests of

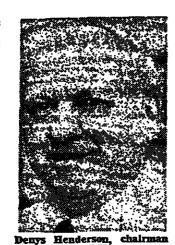
ICI announced the Stauffer deal, it indicated that the principal appeal was the agrochemicals side and that both the speciality and basic chemicals activities might be sold on.

"We are now talking to one or two very interested parties about the basic chemicals," Mr Clements said. If a deal is struck, he suggested it would almost certainly be this

The speciality chemicals side made profits after tax of around \$35m in 1986 on sales of \$325m, and the book value of its net assets was put at \$200m. Sales last year on the bulk chemicals side were larger synthetic fibre subsidiary— at \$550m, but the profits contri-although more US acquisitions bution was similar to that of the seem unlikely for the moment.

speciality chemicals' side.
Yesterday's purchase price
was at the upper end of forecasts; analysts' estimates for the remaining disposals vary considerably, with figures between \$300m-\$400m mooted. up's corporate strategy. It is

Akzo's purchase of Stauffer crowns a long and hard search for an American company that would fit neatly into the Dutch the largest ever acquisition for That, stresses Mr Clements, is Akzo, which had sales of seen "as quite a reasonable FI 15.6bn (£4.69m) last year.



group has been trying unsuc-cessfully for at least two and a half years to buy a US company

in speciality chemicals, coatings or advanced fibres.

At least twice it has lost out. first to ICI in a battle for Beatrice's Foods' chemicals divisional to the state of the sion and then to BASF for United Technologies' Inmont Corporation, although some pharmaceutical businesses were picked up. Akzo's first bid for

Stauffer, when it was still owned by Unilever, also failed.

"This purchase fulfils several
of our agreed company goals,"
Mr Arnout Loudon, Akzo's chairman, said.

The Dutch company will acquire Stauffer's research, manufacturing and marketing activities in speciality chemicals in the US and worldwide, included the state of including high-performance lubricants fiame retardants, petrochemical catalysts and synthetic rubber additives.

Its North American share of sales will rise from 12 to 15 per cent. Mr Loudon has indicated that he wants a figure around 20 per cent—the level seen before the disposal of American Enka, Akzo's

From ICI's point of view, the cash inflow will substantially ease gearing levels post-Stauffer. These would have Stauffer. These would have headed towards 70 per cent on a net debt shareholders' funds basis, but will now work out at less than 60 per cent.
On ICT's preferred debt to capital employed basis, the figure will be around 35 per

TODAY Interimes—Electronic Data Processing, Herdenger Properties, Hellenic and General Trust. Finals:—Brookmount. Brown and	First National Sacurities Flatcher King Hawthorn Leslie Throgmorton Trust	July 7 June 29
Finals:—Brookmount, Brown and Jackson, Danes Investment Trust, Dwek, GEI International, Marina Development, Marshalls Halifax, Racal Electronics, Trimoco.  FUTURE DATES	Finals:— Celestion Industries Elawick	July 1 June 29 June 29
Interime:— Blue Arrow June 29 First National Finance June 29	Scottish and Newcastle Braws. Syltone	July 6 June 25

**BOARD MEETINGS** 

### **Amstrad** abandons **Ferguson** bid talks

By Steven Butler

A last-ditch effort to keep the Ferguson television subdivision of Thorn EMI in British hands fell through yesterday when Mr Alan Sugar, the Amstrad chairman, decided after meeting with Thorn officials, not to proceed with a rival bid.

"The time frame just didn't allow for us to interrupt. It was too far down the line," said an Amstrad

Mr Sugar said on Friday that he would try to block the sale of Ferguson to Thompson, the French electronics and defence group, by complaining to the European Commission that it was anti-competitive. Mr Sugar was interested in Ferguson in order to build up Amstrad's television and TV-video business.

The sale of Ferguson to The sale of rergison to Thompson, which was announced last Thursday, is scheduled to be completed on July 1. Thorn said that it would have to look seriously at any offer in the mean time that included a much higher

Thorn has said that Ferguson would fare better inside of a large, internaconsumer electronics

#### Kwik Save responds to Dairy Farm bid

By Nikki Tait

Kwik Save, the North Wales-based discount food re-tailer where Hong-Kong-based Dairy Farm Internattender offer to give it control of 25 per cent of the shares, is expected to announce its response to the offer this morning and then write to charabolders. shareholders later in the

Kwik Save met its advisers in Prestatyn yesterday, but remained tight-lipped about the outcome of its discussions. Dairy Farm is tendering at 450p a share and the offer closes on June 30. Yesterday, Kwik Save shares sank back by 5p to 463p. Dairy Farm has said that it will not Farm has said that it will not increase its stake beyond 25 has not ruled a full bid longer-term.

#### **GKN** buys Adapt

GKN, the engineering group, has agreed to buy Adapt Vending Services, a group of privately owned companies with annual sales of £12m. The consideration in cash and loan notes, based on the 1986-87 andited accounts. Adapt will be integrated into GKN's vending services division, which has annual sales of some

# Richard Tomkins on the inclusion of a tender element in the BAA offer

# A step towards a remedy for stagging

THE GOVERNMENT's novel approach to the flotation of BAA is an attempt to reconcile the irreconcilable: namely, its desire to extract the highest possible proceeds from the issue while still making it attractive to large numbers of investors.

The size of first-day premiums on other recent privatisation issues has drawn criticisms that the Government has been selling off the nation's assets on the cheap in order to fulfil its political objective of widening share ownership.

To an extent, these criticisms are unjustified. The recent strength of the London stock market has taken nearly all new issues to large premiums, not just privatisations; and the size of the gains on Government flotations has been exaggerated in percentage terms by the fact that issues have been partly

Yet the privatisation programme is widely perceived as having created a nation of stags—people interested more in making a fast buck out of a cheap share issue than

in joining a democracy.

The incorporation of a tender element into the BAA offer is a first tentative step towards a remedy. Its effects are likely remedy. Its effects are likely firmly placed and some—about the step of the whole issue of t to be limited because it represents only a portion of the 25 per cent of the whole issue shares being sold: but if suc—will be provisionally placed. cessful, it could point the way towards the future for many new issues—not just for priva-tisations, but for other com-



Transport Secretary, at the BAA prospectus launch at the Savoy Hotel yesterday

Some 500m shares, representing the whole of BAA's share capital, are to be sold. At least half of them will be offered to the public at a fixed price, and the rest will be placed with institutional investors at the

-will be provisionally placed. In previous privatisations, the provisionally placed shares have been clawed back into the public offering if the issue has

been two or three times sub-

scribed. In the BAA offer, this arrangement will not apply. the provisionally placed shares will be offered

Applicants, who may be individuals or institutions from the UK or overseas, will be allowed to make only one shares but can put in as many at any price. There will, how-ever, be no striking price. Successful applications will be accepted at the price tendered

application for fixed price tender applications as they like by applicants.

If the total number of tender

able, a cut-off price will be set below which tender applications will not be accepted. Those above the cut-off price will be met in full, and those at the cut-off price will be scaled down to match the number of shares available. the sake of introducing a more efficient flotation method. Further, it considers that many new shareholders are far enough along the learning curve to try their hand at a slightly trickier investment.

number of tender shares available, a cut-off price will be set the sake of introducing a more

This is not the first time a difference between this tender tender offer has been used in a privatisation issue, but the

Impact day
Fixed price announced
Prospectus published
10 ams latest time for receipt of applications
Basis of allocation among the process of the process of

Key dates Wednesday July 8 Friday July 10 Thursday July 16

Renounceable Letters of Allocation expected to be posted
9 am: dealings expected to bogin
Final instalment due Tuesday july 28 Thursday May 19 1988

method has lain dormant since is set and all applicants who It fell out of favour when

the privatisation programme with the flotation of British Telecom in late 1984. This was because the relative complexity of the tender offer compared with an ordinary offer for sale was thought likely to discourage investors from coming forward in sufficient numbers to take up the issue.

Times have now changed. For one thing, privatisations have reached such a level of popularity that the Government can

BAA points out that the 1992 date coincides with first

five-yearly review by the Monopolies and Mergers Com-

mission of the limits on air-

port charges which apply at

"If a firm date for the abolition of duty and tax-free shopping within the Community is known by this date, the MMC will be able to take account of the financial impact on the airports when

it recommends the limits on

airport charges to apply for

The prospectus also reveals that Mr Jeremy Marshall, the new chief executive of BAA, is being paid a salary of £100,000 a year, compared with the £63,130 a year paid to Sir Norman Payne, chairman.

drawn before 1992.

south-east airports.

the next five years.

the flotation of Associated applied at or above that price British Ports in 1984. ing price.
This produces two undesir-

the concept of widening share ownership became a feature of apply for more shares than they apply for more shares than they want because they expect to be scaled down, and second, they tend to bid up the price to be sure of getting shares, so turn-ing the after-market sour. The BAA tender, in its simplicity, should avoid both these problems.

It may, however, encounter others. One is that people will not appreciate that the price they tender is the price they pay, and some could find themselves forking out unrealistic sums for BAA's shares.

Another is that the division of 25 per cent of the issue into a tender offer means the Government could find it hard to avoid a ballot for the remaining fixed price shares. The BAA issue, at a likely £1.1bn to £1.2bn, is set to be smaller than Rolls-Royce's £1.36bn—an issue which was massively oversubscribed and escaped a ballot only by a hair's breadth.
The Government's greatest

fear, however, is that investors will take a dislike to the tender and rebel. The recent history of tender offers for private sector companies — Morgan Grenfell and Virgin last year, for example—is an unhappy one, and the method has fallen into total disuse on the London market in 1987.

That, more than anything, is the reason for the cautious structuring of the offer, and a speedy reversion to traditional methods for future issues seems a certainty if rumblings of dis-sent become too loud.

HOTEL CATERING

#### CONFIDENCE IN AIR TRAFFIC GROWTH IS PROSPECTUS KEYNOTE free facilities will be withproblem of future duty-free

CONFIDENCE in the longterm growth of UK air pa senger and eargo traffic is the keynote of the pathfinder prospectus for the sale of shares to the public in BAA, formerly the British Airports Authority, which was issued Authority, which was issued yesterday, writes Michael Donne, Aerospace Correspondent.

Sir Norman Payne, chairsir Norman Payne, chairman, said yesterday the Department of Transport's traffic ferecasts to the year 2000 indicated average annual growth of between 3.4 per cent and 6.1 per cent at London area airports, including the content of ing Luton (not part of BAA), and between 2.1 per cent and 5.7 per cent at other UK airports.

"The directors (of BAA) expect that future growth in demand for the use of air Services at BAA's airports will be within these ranges, but that, as in the past, the pattern of growth will be somewhat irregular, being

Airways is to apply for its shares to be listed on the Tokyo Stock Exchange, according to Mr Gordon Dunlop, the airline's chief financial officer.

Mr Dunlop said in Tokyo

Good second

Following a slight increase from £46,000 to £51,000 at mid-

term, taxable profits of Wynd-ham Group, engineering and

property investment concern, moved ahead to £229,000 for the

year ended March 31, 1987, com-pared with £189,000.

And the group has agreed to acquire Buffouter, a recently formed company, from B. J. Hoar and A. R. Hoar and members of their families, for about

the issue of 1.02m ordinary shares and £50,000 in cash.
Group turnover for the year

advanced from £2,22m to £3.33m. The final dividend is

maintained at 1p net, leaving an unchanged total distribution of 1.8p. After tax of £15,000 (£20,000) earnings per 15p share are shown as 9.6p (7.7p)

before extraordinary debits of £11,000 (£150,000) and 9.09p (0.88p) after the same. The extraordinary items

represented the costs incurred in the successful offer for John

half lifts

Wyndham

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

linked to world economic

The opening of the Channel Tunnel, planned for 1993, is likely to lead to some diversion of passengers from air services, particularly those travelling to near-Continental European cities, but neither the Tunnel nor the netther the Tunnel nor the new London City Stolport, opening this October, is expected to have a significant impact on BAA's business. Over the next five years, BAA will spend some £850m on new developments, including the new Tarminal Three

ing the new Terminal Two at Gatwick, development of Stansted and the expansion of Glasgow These, together with refurbishing of existing facilities, will be sufficient to meet

demand until the mid 1990s, but thereafter further termi-nals and probably also run-way capacity will be needed into the next century. The prospectus is especially on the controversial

British Airways en route to Tokyo SE

THE recently-privatised British that BA's shares were currently 747-400 long-range Jumbo jets, Airways is to apply for its quoted on the London Stock worth about £1.5bn, have shares to be listed on the Tokyo Exchange as well as in New already been announced, but

quoted on the London Stock Exchange, as well as in New York and Toronto. "It is our

intention that, in due course.

we get a listing for these shares here in this very important

market."
During the recent privatisa-

tion. BA's shares were offered for sale in Japan, as well as in the UK. US, Canada and Switzerland.

Mr Dunlop also indicated

that a substantial part of the fibn required to finance the

zinhine's proposed purchase of new aircraft for both long-range and short-range work, would be subscribed by Japan-ese financial institutions. The

Japanese element could be up

to as high as 40 per cent.
Financing plans for the pro-

curement of up to 16 Boeing Monday.

sales at BAA airports, in the light of threatened EC measures to eliminate them from 1992 under fiscal harmonisation inside the Community. Out of £88m of annual duty-free gods salets at all its

airports, about half is for intra-European sales. The £88m represents about half of the total income from concessions and other non-air-craft related activities of the BAA at all its airports. The directors intend to "continue to expand these areas of the business con-

sistent with ensuring the efficient operation of air-BAA shows little real concern for the threatened abolition of intra-European

duty-free goods sales, however.

It points out that no detailed proposals have yet been made, and says "it is unlikely that duty and tax-

the airline is now studying

further procurement of up to

10 aircraft, worth around £1bn,

to replace its existing ageing fleet of 19 Lockheed TriStars.

Possible candidates include the Boeing 767 twin-engined

medium-to-long range jet, the new McDonnell Douglas MD-11

tri-jet, and the European Air-bus twin-engined A-330 and

four-engined A-340 aircraft, recently formally launched.

decision would be taken on such a deal within the next six

holders' meeting since privatisa-tion is to be held at the Royal

Albert Hall, London, next

Mr Dunlop indicated that a

BA's first annual share-

DISTRIBUTION OF FREE STOCK PURCHASE WARRANTS On June 22, 1987, the Board of Directors of Accor voted to distribute to Company shareholders one free subscription warrant for each share held.

Ten warrants give right to subscription to one ACCOR share at the price of FF 625 before November 30, 1989 or of FF 700 between December 1, 1989 and November 30, 1990. The warrants have received the visa (No. 87-218) of the French Stock Exchange Commission (Commission des Operations de Bourse) and will be listed on the Paris Bourse.

Until November 30, 1990, new shareholders through exercise of 1985 C warrants held or through conversion of the French franc 1983 convertible debentures or the US dollar 1984 convertible debentures are eligible for the free warrant. After November 30, 1990, the rates of conversion of debentures into shares will be adjusted. into shares will be adjusted.

This free issue is a consequence of the recent strengthening of Accor's shareholders' equity and should give both actual and potential shareholders a better opportunity to participate in Accor's expansion, while providing additional funds to finance the company's growth.

Today Accor is one of the world leaders in the hotel and restaurant industries with 600 hotels and more than 70,000 rooms, and 2,000 restaurants in 60 countries. The Group is also the world's leading issuer of service vouchers, ACCOR, a world of new perspectives,

#### **DIVIDENDS ANNOUNCED**

months.

•	Current payment	Date of payment	Corres- ponding t div		Total last year
‡Borland	1.25	Aug 4	_	2	
‡Cranswick	3.7	July 31		5.55	2.66
James Cropper	2.15	Aug 7	1.9	3.25	2.75
Drummond	2.5	Sept 8		3.7	
Estate & Agency	3	_	3	3	3 3
Kleinwort Charter int.	0.88		0.82	_	2.6
Oceana Dev	. nil	_	1.7	nil	1.7
Soundtracsint.	0.7	Sept 29		_	1.2
Volex	6.7	Oct 1	6	10	9
Whitecroft	7		5.9	10	8.4
Wyndham	1	_	1	1.8	1.8
Dividends shown n	anco mor e	shows not		. <b></b>	

Hollis well ahead

# Management accounts for the

first five months this year at Hollis, Robert Maxwell's engineering vehicle, comfortably exceeded those for the

amy exceeded those for the same period in 1985.

Mr Richard Rimington, chairman, told shareholders at yesterday's annual meeting that annualised sales were now running around £250m and this put the group well on the road to achieving its target of sales of £850m by 1991.

The engineering businesses bought last year, Stothert and Pitt and Grosvenor Group, came into profit in the first quarter of this year and were now making an important contribu-tion to overall profitability. With the continuing develop-ment of Hollis professional and financial services, the outlook for the rest of the year was highly encouraging, said Mr Rimington,



The multiple option credit set up for Hachette by Crédit Lyonnais and Chase Manhattan Bank has received a very favourable market acceptance.

For \$150 million requested by Hachette, the response of the banking community exceeded \$500 million. The Hachette group has thereupon decided to increase its request from \$150 to \$200 million.

This operation is the first of its kind to allow a French borrower a choice of using francs or foreign currencies without restriction and which also incorporates a programme of Treasury Bills and Euro-Commercial Papers.

The French and foreign banks participate in this operation on the basis of practically equal shares

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# WHITECROFT Highest ever profit of £9.1m

**1987** 1986 Pre-tax Profit up 25% £9.1m £7.3m 23.0p 18.2p up 26% **Earnings** 

up 19%

**66**Our corporate strategy is to invest for continued growth in profits. earnings and dividends through new products, processes and markets and by appropriate acquisitions.

The momentum we have created in the last twelve months means that we can be confident of maintaining the pace we have set."

Tom Weatherby, Chairman

**10.0**p 8.4p

WHITECROFT pic

Dividends

Textiles, Building Supplies, Lighting, Property Development. A copy of the Annual Report may be obtained from: The Secretary, Whitecroft plc, Water Lane, Wilmslow, Cheshire SK9 5BX. Telephone: 0625 524677.

#### UK COMPANY NEWS

# Borland optimistic despite GEC gives profit downturn to £2.9m

dent finance, said current trading was good and added: • comment "First quarter operating profits will be better than those for

Irish Wire

raising

£720,000

underwrite the rights issues.

The subscription price is to

be 45p per new ordinary. Mr D Jones will subscribe for 1m shares and will underwrite

289,091 shares; Mr Richard Hayes will subscribe for 150,000 shares and has under-written 43,364 shares while Guidex Investments will sub-

scribe for 225,000 shares and has underwritten 65,045 shares. The basis of the rights issue

is one new share at 45p for every six held.

The Panel on Takeovers and Mergers had indicated that sub-

Mr Dennis Jones and Mr

Richard Hayes will join the

TWP board as non-executive

ge western.

MR PHILIPPE KAHN, Borland's president, was in ebuilient mood yesterday in spite of the near halving of the California-based computer software company's pre-tax profits. For the year to March, the USM quoted Borland reported pre-tax profits of \$4.7m (£2.93m) against \$8.7m in 1985-tax profits were ahead 40 per (£2.93m) against \$8.7m in 1985-tax profits were ahead 4 about financial years," he sizem to Sem and then to Sem are being made into the market bubbled. "There was a slippage in the new products of maybe three months and as a result we had alt the costs and none of the revenues in the period reported."

What do they want, insider trading? "he exclaimed.

Yesterday, results showed operating profits of \$2.1m (\$8.67m) hit heavily by a smarters is that our new products have instantly been amazzing successes." said Mr Khan. He described one of these pieces of software, Turbo C. as "like sticking a rocket on to your car." and as having "wiped out" a major competitor's established product.

Ms Marie Bourget, vice-president finance, said current trading was good and added:

Sizem to Sem and then to \$6m. Ash ton \$4 shing are being made into the market shares of Ashton-Tate, Lotus and Microsoft—the software establishment. US distributors' league tables have the latest trading? "he exclaimed.

Yesterday, results showed operating profits of \$2.1m (\$8.67m) hit heavily by a small the average profits of \$2.1m (\$8.67m) hit heavily by a small to date the company's fan club has not \$6.18m rise in selling, general and administrative costs to \$17.51m.

However, the \$946.000 instruction of \$8.67m hit heavily by a small the solutors' shares of Ashton-Tate, Lotus shares of Ashto It is no easy job being the shares are a high risk bet Borland's London broker: Cali-

### Crowther pays £35.4m for another US company

BY DAYID WALLER

Irish Wire Products is to raise approximately Ir£800,000 (£727,000) by a combination of a rights issue and a subscription for new equity by certain investors who have agreed to investors who have agreed to group, yesterday announced its second major expansion into the US within four days.

Crowther has agreed to buy 100 per cent of LD Brinkman, a leading wholesale distributor of carpets in the US, for \$57m (£35.4m). This follows last Thursday's £13m acquisition of a controlling interest in McCall Pattern a designer and distri-Pattern, a designer and distri-butor of patterns.

Brinkmans operates from 35 depots in 20 states and supplies floor coverings and floor-ing products to 15,000 retail and contract customers in the South and South-West of the

In the year to the end of July 1984, it made pre-tax profits of \$14.3m on turnover of \$220m. Since then, however, the company has suffered from the effect of lower oil prices on the local economy, and from the cost of entering the more prosperous markets of California—profits for the year to mergers had indicated that subject to independent share-holders approval on a poll, they will waive Rule 9 of the Code which would otherwise have an obligation on the investors to make a cash offer at 45p for the whole of the Irish Wire there are the control by share capital not owned by them following the proposed fornia-profits for the year to

turnover. Now that the Los Angeles depot is operational, Crowther directors are confident that they

Crowther Group, the acquisi- can achieve a return to earlier tive Huddersfield-based textile levels of profitability.

carpet distribution business is managed more efficiently than the new acquisition, and that there is abundant scope for margin improvement, possibly at the expense of closing down some of the least profitable depots.
"We aim to turn each depot

into a separate profit centre," said Mr Michael Abrahams, Crowther's deputy chairman, "we will incentivise the management and cut excess capacity."

Crowther first said that it in-tended to buy two US companies when in April it raised £57m by

business shaped," he said. Combined group turnove

will amount to approximately £500m, he said. Crowthers shares closed 3p up at 220p.

STRATA INVESTMENTS: Net assets per warrant 49.9p at April 30 1987 against 24.3p a year earlier. Income from investments and dividends totalled £131,506 for the half year (£56,395 for eight months to April 1986). Tax took £4,119 (£103,643) leaving earnings per share of 0.004p (1.19p).

ticularly in the market for de-fence electronics. Plessey's shares, which dip-ped to almost 160p in September before climbing back to 250p in March, added 51p to 229p yesterday.

undertaking

General Electric Company, the UK electronics group, has given undertakings to the Sec-

Industry, that it will not buy more than 15 per cent of rival electronics and defence com-pany. Plessey, without his

The undertaking also applies to Plessey subsidiaries. In addition, GEC undertakes that it

will not merge with either Ples-sey or any of its subsidiaries if the deal would qualify for in-

vestigation under the Fair Trad-ing Act or result in a "substan-

Yesterday, the Department of Trade and Industry said that such undertakings were stan-dard following publication of a Monopokies and Mergers Com-mission report, and that delays

amouncements were not uncommon. The MMC report on mon. The MMC report on GEC's \$1.2bn bid for Plessey came out in August 1986 and—except for one dissenting voice—argued that the takeover

should not be allowed to pro-ceed. The main objection was

the impact of the merger on competition within the UK, par-

on Plessey

By Nikki Tak

#### JWT still looking at alternatives

By Nikki Tait

JWT Group, the New Yorkbased advertising agency and PR group which is on the receiving end of an audaclous bid from the much smaller UK marketing services group, WPP, yesterday said that it was still considering various options and could not yet respond to WPP's proposals.

In a letter to Mr Martin Sorrell, WPP's chief executive, Mr Don Johnston, JWT's chair man, said simply that the com when in April it raised £57m by way of a rights and convertible stock issue. The latest transactions bring the number of acquisitions made in the last 18 months alone to 16.

Mr Trevor Barker, chairman, said that, but for one imminent purchase in Europe, the group had temporarily come to an end of its phase of growth by acquisition. "We've got the last was SUII 100king at allermany and could not meet WPP's deadline set for yesterday. The letter itself was couched in extremely friendly terms—starting "Dear Martin" and ending "very sincerely." The two sides are believed to have met last week, although Mr Sorrell has now returned to the UK. Although rumours of a White Knight have circulated, WPP's offer is the only one on pany was still looking at alter

the table at present. Yesterday, American invest-ment bank Bear, Stearns also emerged with a 7.3 per cent stake in JWT, but said the shares had been bought as an investment—as part of its brokerage business.

SAPPHIRE PETROLEUM (gas and oil explorer): Turnover £927,000 (£2.08m) and pre-tax loss £5.41m (£3.22m) for 1986. Loss per 50p share 25.3p (20p). Extraordinary charges nil (£10.5m). Company's shares are traded on USM.

#### Dalgety to sell ABM to Harrisons & Crosfield

Although George Paul, joint chief executive of Harrisons, said that yesterday's announcement had been rushed out in response to some "fairly premature" weekend press reports, analysis expect the disposal to raise between £30 and £40m.

The sale of Balfour Guthrie

Dalgety, the food and commodities group, yesterday said Preservenbedrijf BV, a Dutch that it is negotiating the sale of Associated British Malisters supplier of dehydrated veget-to Harrisons & Crosseld, the ables, which made operating palm oil to plantations conglomerate and parent company of Paul's Malt.

Although George Paul, joint the firm profits but brokers estimate that it made film profits and that it made film profits that

mate that it made £1.4m pre-tax profits on turnover of £57m in the last financial year. If nego-tiations are successful, the sale would be subject to clearance from the Office of Fair Trading as Paul's Mait, already a major UK maltster, would effectively

double its size.

Dalgety has pursued a vigorous rationalisation programme over the last year with the aim of concentrating on the group's core food businesses. The sale of Balfour Guthrie (Canada), Dalgety's Vancouver based timber operation, is also "imminent," the company said westerday. Dalgety first sought a buyer in March with an asking price of £70m and has now narrowed the field to three potential purchasers. The sale should be concluded next month, Dalgety said.

In a separate development, Dalgety will today announce Dalgety will today announce Dalgety has pursued a vigorous rationalisation programme over the last year with the aim of concentrating on the group's core food businesses and disposing of the rest. Other recent divestments include ABM chemicals. Sold to RTZ for £30m, and Clarkson Puckle, a Lloyd's broker sold to Inchapped for £42m. Last October, it bought Golden Wonder from Hanson Trust for £82m.

### Gold Fields £40m rights to fund Newmont shares

Consolidated Gold Fields, to this.
the international mining group,
yesterday announced the £40m Agnew, chai yesterday announced the F40m issue and placing of 4.16m of its own shares at 970p in order to pay for 1.44m new shares in Newmont Mining Corporation, and to maintain its stake in the American-based mining company of the party of the contract of the contr pany at 26 per cent.

Gold Fields' action follows a

Yesterday, Mr Rudolph Agnew, chairman of Gold Fields said the company was pleased with its investment in Newmont and "by maintaining our interest we demonstrate our close relationship with and continued support for the com-

pany at 25 per cent.

Gold Fields' action follows a \$180m secondary placing by Newmont. The US company has agreed to sell 4m shares at \$45

pany.

Earnings per share were reported as 5.7 cents (11.8 cents) on which a final dividend of 1.25 cents is being paid. The to underwriters with a view to total payout for the year is a public offering. The Gold 2 cents—in line with the pros-Fields acquisition is in addition pectus commitment. Essential information for corporate treasurers, financial directors, bankers, auditors and other advisers involved in the volatile financial market.

A NEW FINANCIAL TIMES PUBLICATION:

# Corporate Currency Risk — A Reappraisal

by J. A. Donaldson

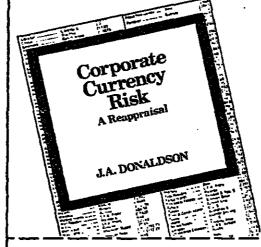
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LEVERAGED CAPITAL HOLDINGS N.V.

Curação, Netherlands Antilles

Notice of Annual General Meeting of **Shareholders** 

Notice is hereby given that an Annual General Meeting of Shareholders of Leveraged Capital

Holdings N.V. has been called by the Manager,

The Meeting will take place at the offices of the Company, John B. Gorsiraweg 6, Willemstad, Curação, Netherlands Antilles on 16th July,

The Agenda includes, inter alia, a proposal to

amend the Articles of Incorporation of the

The Agenda, the proposed amendments and the

Annual Report for 1986 may be obtained from the

offices of the Company or from the Paying Agent

Shareholders will be admitted to the meeting on presentation of their certificates or of vouchers,

which may be obtained from the Paying Agent against delivery of certificates on or before 10th

INTIMIS MANAGEMENT COMPANY N.V.

Willemstad, 23rd June, 1987.

Herengracht 214 Amsterdam

Paying Agent: Pierson, Heldring & Pierson N.V.

Intimis Management Company N.V.

1987 at 10.00 a.m.

The Ordinary Shareholders' Meeting held on May 14th 1987 approved the Balance Sheet and the accounts for the financial year 1986.

As at December 31st 1986, the total amount of the liabilities reached FRF 258 million for the renting operations and FRF 71 million for the leasing operations

The financial year 1986 evidences a profit of FRF to 014 469,13 that will allow the distribution of a global dividend of FRF 8 600 00,00 i.e. FRF 4,30

now a reality—for investors and for companies raising capital alike.

It is thus perhaps inevitable

that the financial public rela-tions companies that specialise in investor relations and have

flourished in the multiplicity of

mergers and acquisitions in individual markets, would soon

Valin Pollen International, the London-based financial PR

specialist, last week announced an ambitious leap across the

Atlantic in a move toward creat-ing an international network capable of providing investor relations services to clients in

relations services to clients in any major financial market. It is ambitious not only because of the aims of the expansion but because Valin Pollen is biting off a company, the Carter Organisation, whose operating income at \$22m (£13.7m) is fifth higher than Valin Pollen's, and whose operating profits, at \$16.76m, are five times Valin Pollen's.

To pay for the initial price

To pay for the initial price of \$51m Valin Pollen is raising

funds by placing its own shares at a premium of between 20 to

follow suit.

# Organic growth behind profits rise at Drummond

Drummond Group, the wool textiles concern, yesterday announced a 28 per cent increase in pre-tax profits to £1.74m last year on turnover areas. which rose by 12 per cent to Drug

The group, which changed its ame from Stroud Riley Drum-mond a year ago, has expanded rapidly in recent years by diversifying into cloth for women's wear and by staging a series of acquisitions.

Mr Stefan Simmonds, chair-

man and chief executive, said man and chief executive, said that the profits increase reflected the group's consolidation and organic growth during the year to March 31. The increase was also fuelled by a reduction in the interest charge—to £396,000 (£606,000)—due to improved cashilow. "buoyant" and express
During the year the worsted fidence in the future.

division's new finishing plant came on stream in Bradford. The benefits of this investment should start to filter through in the present year.

The integration of the capa-

city acquired with Salts has been completed. Drummond also invested in its design The leisure fabric division returned to profit during the year and will now merge with

the bunting business. Given that Drummond has reinforced its management team Mr Simmons is now intent upon staging further acquisitions. He

said that the group had no specific acquisitions in sight, but that it was looking for textile companies in related areas.

Drummond has returned to the ranks of the tax payers, yet its tax is relatively low at broadly based textiles group.

But that the group had no not patient with the Drummond Group. But that patience is beginning to wear a little thin. No one could quibble with the long term strategy of turning a vulnerable worsted suitings manufacturer into a more broadly based textiles group. the ranks of the tax payers, yet its tax is relatively low at £215,000 (credit of £65,000) and should remain low for the next But the management team has taken rather longer than either it, or the City, originally expected to effect the changes. Analysis had braced themselves two years.
Ful!: diluted earnings per share rose modestly to 18.86p (18.55p). The board proposes a final dividend of 2.5p making 3.7p (2p) and intends to stage a one-for-two capitalisation for a pedestrian set of pre-liminaries; but, stripped of the interest benefit, these pre-tax profits were undeniably disappointing. This combined with sluggish sales and a slip The group has expressed two legal settlements as an extra-ordinary item of £590,000.

Mr Simmons described the in pre-interest margins to shave 16p off the shares to 210p. With present state of trading as projected profits of £2m, the "buoyant" and expressed con-shares are on a prospective p/e of 9, and the City is likely to

wait until the interims before

#### Estates & Agency climbs to £0.63m

The City has been nothing if considering a re-rating.

reported a substantial increase from £263,541 to £629,962 in pre-tax profits for 1986.

The dividend is unchanged at

**o** comment

For the year ended 30th April

Net profit of £5,500,000 after tax and

Shareholders funds over £52 million

Financial Highlights

1987

52,050,000

3,839,000

1,958,181,000 5,500,000

Cater Allen Holdings PLC

1 King William Street, London EC4N 7AU

Telephone: 01-623 2070

29a Broad Street, St. Helier, Jersey, C.I.

Telephone: (0534) 77106

The Control of the Co

Earnings per share

Net dividend per share

1986

34,215,000

4,500,000

2,872,000

1,628,929,000

The Group has had another

transfer to inner reserves

Inner reserves at record levels

successful year

Published Capital

and Reserves

**Total Assets** 

Dividends

3p net, stated earnings per share improved from 4.75p to 7.24p, and net asset value per share was up from 233p to 255p. Gross rental income was

Estates & Agency Holdings, higher at £1.86m compared with property investment company. £1.51m, Net rents payable and £1.51m. Net rents payable and other property outgoings were down from £186,230 to £156,308. Share of profits of associates was £102,800 against £90,890, and other income was considerably higher at £230,464 ably higher at £230,464 (£81,253). Cost of finance and administration was £1.41m (£1.23m). There was a tax charge of £191,909 (£25,392 receivable).

The directors said the profit increase was attributable primarily to the rise in gross rental income resulting from rent review and new lettings.

#### Jas Cropper profit falls to £1.7m

James Cropper, paper manufacturer, reported a slight setback in pre-tax profits from £1.82m to £1.68m in the year to March 28, 1987, despite an improvement from £27.48m to £29.11m in turnover.

The directors warned in the The directors warned in the November Interim statement that with pulp prices rising very rapidly the second half was unlikely to be as good as the first half. In the event turnover for the period was up by £1.14m to £15.41m, but profits tumbled from £1.29m to £728.000.

The directors said yesterday

The directors said yesterday that there had been an inevitable delay in recovering the extra costs which reduced profits below the record level of last year.

a full order book. Margins were not as good as in 1986 before the explosion in pulp prices. With the further development of higher value grades and increased volume, the company would be seeking to produce better results this year.

Operating profit last year was

down from £2.46 in to £2.33m: interest took £649,000 (£638,000) and tax charged was £79,000 (£47,000) leaving earnings per share of 39.8p (44.2p) for a total dividend increased from 2.75p to 3.25p with a final of 2.15p. A one-for-one scrip issue is also proposed.

Cranswick rise

Cranswick Group, Yorkshire-based manufacturer of high quality pig feed and engaged in the wholesale marketing of pigs and the merchanting of grain, lifted pre-tax profits from £840,000 to £882,000 for the year ended March 31 1987. Turnover went ahead from £35.6m to £42.2m.

#### Strikes at Volex hold back profits growth

By Philip Coggan

STRIKES in the wiring har-ness division and operating problems caused by two major projects coming on stream simultaneously, restricted pre-tax profits growth to 6 per cent at Volex, the electrical group, in the year to March 31 1987.

After paying corporation tax for the first time for many years, Volen's earnings per share fell 13 per cent to 29.4p

However, second half profits, at £3.3m, were 12 per cent higher than in the previous year and the market was encouraged enough to mark the shares up 12p to 357p.

Orders for new wiring Jaguar caused initial operating difficulties and a two-week strike in that division. But the problems were overcome, and in the second half net margins increased to 9.2 per cent, compared with 6.6 per cent in the first half.

Shortly before the year end, the small electronics division was closed and its remaining activities and equipment transferred to other divisions; there was a small, non-recurring, operating loss of £150,000.

Pre-tax profits were £5.42m erre-tax profits were £5.42m (£5.11m) on turnover up 5.3 per cent at £67.82m (£64.41m). The tax charge was £968.000 (nil), and the final dividend was set at 6.7p (6p) making a total of 10p (9p).

#### comment

A cynical interpretation of these figures would be that, after years as a recovery stock, Volex has found that growth as a mature company is a lot harder. But the market is obviously less harsh in its judgment than most would assume and news that would assume and news that the tax charge would rise more slowly than expected helped push the shares up 12p to 357p. To be fair to Volex, it would appear that last year's problems are mostly one-offs. Demand for monided plugs looks set to expand fast and the prospects for some other parts of the group look very good. A full year of stress and strike-free business from Rover and Jaguar and a pick-up in the building sector will help push pre-tax profits to £6.4m this year. That put the prospec-tive p/e at 10.5 and, with the tax charge worry out of the for two years, this might be the time for Volex to eliminate part of its substan-tial discount to the sector.

#### Midsummer secures Riley takeover By Clay Harris

Midsummer Leisure, the pub. disco and shopfitting group, yes-terday secured its £16.4m take-over of Riley Leisure. Britain's leading manufacturer of snooker tables and operator of

snooker clubs.
It claimed ownership or acceptances on behalf of more than 60 per cent of Riley's diluted share capital on the first closing date for its offer, which closing date for its offer, which was recommended by all but one of Riley's directors.

With Midsummer shares 7p lower at 408p, its share offer was worth £92.5p against Riley's market price of 89½p, down 1½p. The 82.5p cash alternative has been accepted on behalf of fewer than 130,000 Riley shares so far.

#### at a premium of between 20 to 55 per cent over the price of 290p at which trading was suspended last week. Subsequent payments could bring the final price to \$114.6m. The Carter Organisation, founded and chaired by Mr Donald Carter, is a child of the takeover boom that hit New York in the late 1970s. relations activities have grown in two years from nil to account for over 10 per cent of York in the late 1970s. Mr Carter started out as a Valin Pollen's income, arel a higher proportion of profits. proxy solicitation specialist who unburdened companies of the The logic of Carter and Valin annual chore of collecting proxy votes from shareholders. When

per cent for Carter. Investor

relations activities account for 66 per cent of the business (most of the rest being proxy

Valin Pollen is a more broadly-based financial public relations company, which has

capabilities in advertising, design, and market research— and it earns substantially lower margins. Specialised investor

solicitation).

Pollen coming together has re-ceived wide praise among a company came under a hostile bid. Mr Carter found that his analysts and competitors alike. Each group has among its ability to communicate directly clients a long list of blue chip companies that are inter-national in every sense. With with a company's shareholders suddenly became extremely the rapid increase of multiple share listings in markets The only defence against a hostile bid is a high share price," says Mr Carter, and that requires the cultivation of around the world, investor relations service confined to one

> "We have been asked repeatedly by our clients, what are our capabilities worldwide. We always came up short," says Mr Carter.

market does not cover the

what they expected or wanted from the company. Thus began There is also plainly much that Carter and Valin Pollen the business of investor rela-tions and market intelligence. In New York it has proved a can learn from each other, high growth business exception- ranging from Carter's more ally good margins, of about 50 sophisticated market intelli-

gence and investor relations services, to Valin Pollen's broader capabilities in advertising and public relations. Clients will have access to a broader range of services.

Steven Butler on Valin Pollen's move in global corporate finance

Donald Carter (left), founder and head of the Carter

Organisation, and Reg Valin, chairman of Valin Pollen

If the deal goes through analysts say it could almost im-mediately catapult Valin Pollen into a company with a market capitalisation of over £100m. The deal has attracted atten-

ton because of the unusual placing of share at a premium, Of the £51m initial payment for Carter, Valin Pollen s paying £50m cash, which is to be raised by the issue of an as yet undetermined number of shares.

The higher the share price, the fewer the shares issued, and consequently the higher the projected earnings per share. If the final share issue price is 400p, Valin Pollen calcu-lates a hypothetical pro forma earnings per share of 26.2p in the 1987-88 financial year, assuming zero growth in profits. This is more than triple Valin Pollen's EPS in the year to the end of October 1986 and explains the rationale for the premium price.

In the end, many factors will

Ambitious leap across the Atlantic Despite the operational and financial logic of the deal, however, there are still doubters. Mr Carter is an entrepreneur who built a successful business from scratch, and continued success is seen as dependent on his leadership.

He is selling for a huge sum of cash, inevitably raising questions of whether he is seeking a way out while the going

Although performance-linked payments will provide further incentive to stay in the three years to come, some doubt he will enjoy playing second fiddle to Valin Pollen chairman Mr Reg Valin, who will run the worldwide operation.

Both men stress the personal relationship and close under-standing between them, and Mr Carter says he is excited about participating in building the first global investor relations

network. Valin Pollen is relying on Mr Carter's ability to sell his sincerity to investors during his current visit to the UK. He should do a good job at it. He is, after all, a professional.

The dodgy record for British acquisitions in the US, especially when they depend on the continuing performance of one entrepreneur, gives pause

for thought.

There is also the question of the quality of earnings based predominantly on the investor relations business, since they rely on a continuing high level of mergers and acquisitions.

"I would not want to go to bed every night thinking that all my earnings are coming from that activity," says Mr Peter Gummer, chairman of the public relations group Shand-wick, who none the less applauds the deal as an excel-lent move for Valin Pollen. The regulatory environment in the US is turning against contested bids, where the fees

for investor relations work can be astronomical. Any serious downturn in stock markets could also snatch a huge amount from the bottom line. Still, Mr Valin and Mr Carter

affect earnings in the years ahead and James Capel, Valin Pollen's broker, is taking a cautious sounding of institutional investors before fixing deregulation is becoming a reality. do not believe the clock on the

### Soundtracs profits up 35% in first six months

manufacturer of electronic per cent increase in production audio equipment, produced a capacity.

35 per cent increase to 35,000 (£252,000) in pre-tax climbed from £1.18m to £1.51m and operating profit was and operating profit was an operating profit was \$208,000 (£244,000); interest available at the time of the

investor loyalty.

Many companies under threat found they did not know who their shareholders were, why

investors held the shares, or

Mr R. C. Wells, chairman, said increased exports were achieved in both Europe and the Far East. He was confident the second half would benefit from the new association with AKG Inc in the US.

Soundtracs, the USM quoted facilitating an approximate 100

and operating profit was £308,000 (£244,000); interest receivable and other income amounted to £33,000 (£8,000) and tax charge was £119,000 (£103,000) leaving attributable profits of £223,000 (£149,000) for earnings per share of 2.22p (1.86p).

AKG Inc in the US.

The interim dividend is 0.7p

During the period a further —last year there was a single unit was acquired payment of 1.2p.

Platignum expansion

available at the time of the annual meeting. Prospects for the current year were good, and with the addition of extra businesses, the board expected to pay its arrears and restore the preference dividend at the half

ear. Sales in the stationery and household divisions were running well above last year's to 0.875p (0.82p). Board intends levels, he said, and satisfactory to at least maintain 6.7 per

Platignum, pen manufacturer. divisions were showing smaller announced it was at an advanced increases in sales. But the comstage of negotiations for the pany expected a year-end conacquisition of a company to tribution from its plastics plant. form part of its stationery divi-sion. compared to last year's sub-stantial losses, and an improved contribution from the engineer ing operation.

KLEINWORT CHARTER Invalue per 25p share from 131p to ,168.5p over the year ended May 31 1987. For the six months to end-May net earnings totalled £1.04m (£943.000), equal to 1.28p (1.16p) per share. The interim dividend is lifted to 0.25p (2.25p). Bend is lifted levels, he said, and satisfactory to at least maintain 6.7 per results were expected.

The plastics and engineering for full year.

#### SHARE STAKES

THE following share stakes announced during the past week:

Matthew Hall.—On June 6, director H A Hicks disposed of 1,640,000 ordinary at 195p per

Harris Queensway .- The following directors disposed of shares:-D 150,000 at 242p each and K. J.

Wingate Property Invest-Cattle's Holdings.—Director
A R Muir has sold 30,000 benefinal shares at 67 p each.

Publishing Holdings.—Director
Tor G. Thain ideposed of 165,000,

44,988,631 ordinary (60.08 per ments. Chase Corporation of

Elton 71,000 at 242p per share.

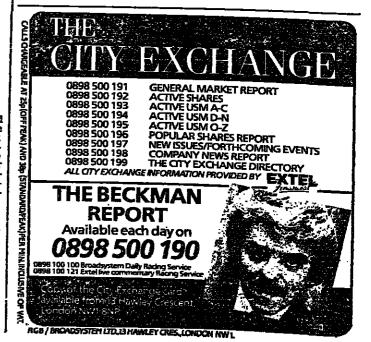
# Den Danske Bank af 1871 Aktieselskab

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the period 23rd June, 1987 to 23rd December, 1987 has been fixed at 7% per cent. per annum and that the coupon amount payable on Coupon No. II will be U.S.\$9,690.10.

U.S. \$30,000,000 Floating Rate Notes Due 1989

اكينك السعودى العالمى المحدود Saudi International Bank AL-BANK AL-SAUDI AL-ALAMI LIMITED

Agent Bank



# Relocatable Partitioning Systems, Interior Refurbishing Contracts, Mobile Walls, Free Standing Screen Systems, Perimeter Heating and Cladding Record Pre-tax Profit

25 Unilock Holdings plc

1987 1986 As reported Restated £0000 £'000 £'000 Turnover 18,793 22,478 24,148 Profit before tax 1,402 1,840 2,262 Profit after tax 881 1,133 1,428

> Highlights from the statement by the Chairman, Mr KT Roberts

6.48p

2.20p

5.43p

1.975p

5.69p

\* The profit of £2,262,000, before tax, is the highest in the company's history.

The 1987 results and restated 1986 include the benefit of a full year from HCP Limited acquired

in February 1987. The outlook in the market at the present time is favourable and orders are at a higher level than last year ... we are budgeting for a further increase in profits and a strengthening of our position as the year progresses.

Copies of the full Annual Report are available from the Secretary, 38/42 South Road, Haywards Heath, West Sussex RH164LA

# **Changes at Chase**

addition, assumed responsibility for The Chase Investment Bank

**APPOINTMENTS** 

addition, assumed responsionly for The Chase Investment Bank (CIBL).

Mr Chris J. Mation, senior wice president, has taken over from Mr Robert D. Hunter, SVP, as Europe, Africa and Middle East area executive. Mr Mation's property was general previous post was general manager for the Hong Kong branches of The Chase Manhattan Bank. Mr Hunter is returning to the US to become financial services executive in individual banking.

individual banking.

To further strengthen the integration of investment banking services, Mr Jose Pennan, country manager, Spain, has been appointed senior managing director of CIBL reporting to Mr Longwell. He will also be responsible to Mr Matlon for investment banking support throughout Europe, Africa and the Middle East.

Mr Thomas Gaffney, formerly president of CIBL, will now be responsible for initiating the bank's new involvement in the LDC debt/equity gwap business.

LDC debt/equity swap business. From July 1 Mr David Butcher and Mr Peter Sanderson become joint managing directors of SAVE AND PROSPER FINAN-

CIAL SERVICES. Mr lan McCallum is appointed branch manager of the London branch

In a move at CHASE MANHATTAN BANK to integrate the product and marketing capabilities of the entire global bank and bring the London-based investment banking subsidiary moves from chairman of Save & Prosper Financial Services. Mr John Perceval moves from chairman of Save & Prosper Financial Services to the UK and European banking units, Mr Dennis C. Longwell, senior vice president, UK country manager, has, in addition, assumed responsibility

Mr Derek Youngman has been appointed managing director of 600 Group member GCS (STEELS), which has been formed to continue the Group's re-usable steel business follow-ing the recent sale of the scrap interests. He is a director of George Cohen Sons & Co.

Mr John Drew has been appointed by the EUROPEAN COMMISSION as head of its press and information offices in the UK. He was director of European affairs for Touche Rosse International and director of international affairs for Rank Kerox.

Prof Peter Lawrenson has been appointed chief executive, and Mr Geoffrey Haines becomes marketing and commercial manager of SWITCHED RELUCTANCE DRIVES.

BRITISH AIRWAYS HOLI-DAYS has appointed Mr Ivan Miller as marketing director with overall responsibility for its Sovereign, Enterprise and Flair brands from July 1. The marketing and sales appointment is a recall to the parent company after more than 10 years as general manager of British Air-



battan Bank

ways direct sell operator, Martin Rooks.

Mr Iau Butcher is to succeed Mr John Page as group finance director of CHARLES BARKER on July 1. Mr Page will be leav-ing the company next year to on July I. Mr Page will be leaving the company next year to pursue other interests. Mr Butcher is corporate development director of Addison Consultancy Group and was previously group finance director of Michael Page Partnership and Addison Page. Before that he was a director of County Bank and headed County Bank's New York office, where he specialised in capital markets, in capital markets,

ST MODWEN PROPERTIES has appointed Mr Christopher Roshier as a non-executive director. He is a managing director of merchant bankers Hill Samuel & Co.

# TRYUSON FORSIZE.

# 20 examples of our commitment and expertise in M&A and LBO financing.

TRANSACTION	TOTAL BANK FINANCING	SCOTIABANK PARTICIPATION
BCI Holdings	\$4,100,000,000	Co-managed the leveraged buyout of Beatrice Companies Inc. Provided US\$ 276,500,000.
Safeway Stores Holdings Corporation	\$3,500,000,000	Acted as a manager in the leveraged buyout of Safeway Stores, Incorporated. Provided US\$ 250,000,000.
GWCI Acquisition Corp.	\$1,750,000,000	Provided US\$ 148,750,000 acquisition financing for the purchase of Group W Cable, Inc.
CSX Corp.	\$750,000.000	Provided US\$ 250,000,000 backup facility for the acquisition of Sea-Land Corporation.
Container Corporation of America	\$700,000,000	Provided US\$ 49,000,000 for the acquisition of the common stock of Container Corporation of America by JSC/MS Holdings Inc.
The Hoover Company	\$600,000,000	Provided US\$ 48,000,000 financing for the acquisition of The Hoover Company by CPAC, Inc. a wholly owned subsidiary of Chicago Pacific Corporation.
Midland-Ross Corporation	\$560,000.000	Provided US\$ 56,000,000 financing for the leveraged buyout of all the assets of Midland-Ross Corporation.
Uniroyal Goodrich	\$525,000,000	Provided US\$ 52,500,000 financing for the merger of all the tire and related assets of BF Goodrich and Uniroyal Holdings, Inc.
Armtek Corporation	\$314,000,000	Provided US\$ 35,000,000 financing for the acquisition of the Worldwide Rubber Products division of Day International (formerly Dayco Corporation).
Interprovincial Pipe Line Limited	\$300,000,000	Structured and provided the bank financing of Can\$ 300,000,000 toward the acquisition of Home Oil Company Limited.
Sybron Corporation	\$235,000,000	Provided US\$ 35,250,000 acquisition financing for the leveraged buyout of the common stock of Sybron Corporation.
Pameco Corporation	\$200,600,000	Provided US\$ 40,000,000 financing for the acquisition of Pameco by MLX Corp. through MCo., Inc.
Phelps Dodge Corporation	\$180,000,000	Provided US\$ 26,000,000 financing for the acquisition of Columbian Chemicals Company.
Sterling Chemicals, Inc.	\$140,000,000	A top tier bank, provided US\$ 25,000,000 for the leveraged buyout of certain assets from Monsanto Company.
Ingersoll Newspapers, Inc.	\$120,000,000	Provided US\$ 35,000,000 acquisition financing for the purchase of a number of newspapers.
Color Tile, Inc.	\$115,000,000	Provided US\$ 20,000,000 financing for the acquisition of Color Tile, Inc. by General Felt Industries, Inc. and also provided Canadian loans and services.
Varity Corporation	\$87,000,000	Provided all the bank financing for the leveraged buyout of Dayton Walther Corporation.
Shearson Union Square Associates Limited Partnership	\$70,000,000	Structured and provided the bank financing for the acquisition of the Hyatt on Union Square.
Challenger Electrical Equipment Corp.	Undisclosed	Provided all the bank financing for the acquisition of certain assets of Federal Pacific Electric Company.
Slaight Communications Inc.	Undisclosed	Structured the transaction and provided all the bank financing for the acquisition of Standard Broadcasting Corporation Limited by Slaight Communications Inc.

These transactions took place within the year ending April 1987.

# PROVEN LEADERSHIP IN M&A AND LBO FINANCING.



TORONTO • NEW YORK • LONDON • TOKYO. 1175 OFFICES IN 48 COUNTRIES.

CRUDE OIL (LIGHT) 42,000 US gallons, \$/barrels

HEATING OIL 42,000 U Sgellons, cents/US gallons

Latest Prev 51.50 92.52 51.80 52.58 52.50 53.61 53.70 54.31 64.85 54.88 55.00 55.65 54.25 54.45 53.00 63.60 53.00

ORANGE JUICE 15,000 lb, cents/lb

Close Prev 134.30 134.90 125.95 126.75 122.00 121.50 120.80 120.80 120.80 120.10 120.80 120.10 120.90

PLATINIM 50 troy oz. \$/troy oz

Closa P-9v High 552.0 567.1 582.5 559.8 575.1 567.0 587.6 582.9 573.0 574.7 688.8 520.0 582.0 597.2 584.0

SILVER 5,000 troy oz, cents/troy oz

High 20.96 20.09 19.83 19.72 19.62 19.47 19.42 19.42 19.36

LONDON

1575-7 9

Official closing (am) Cash: 926.5-7 (918-20), three months 913-3.5 (908-7), asttlement 927 (920). Final Kerb close: 920-1. Turnover: 9,600 tonnes.

Unoffic" + or close -£ per tonne

955-60 --2.5 940-5 +8,5

959-60 -- 956/954 954-5-5 -- 0.75/961.5/947

COPPER

+7.5 928/927 +7 922/914

MARKETS

COFFEE PRICES on

#### Cocoa pact to study support price cut

The special council session, which is expected to last five days, has to be held under the International Cocoa Agreement within 20 working days of the buffer stock reaching 75,000 tonnes. If the council does not decide otherwise, the "must buy" floor price of 1,600 SDRs a tonne will automatically be lowered by 115 SDRs to 1,485 SDRs. The indicator price yesterday was 1,536.87 SDRs a tonne.

Analysis believe that the analysis believe that the buffer stock manager should be able to defend the lower level. Ms Bronwen Curtis of Landell Mills Commodities Studies believes, however, that poor weather in Brazil and the Ivory weather in breat and the retry Coast will have more effect on the price than the buffer stock. "The fundamentals have changed," she said.

LONDON METAL EXCHANGE WAREHOUSE STOCKS

Aluminium		
high grade	—25 to	1,500
standard	-4,075 to	94,350
Copper	+1,200 to	109,300
Lead	+200 to	20,450
Nickel	+1,002 to	8,826
Tin	—585 to	27,005
Zinc	—1,175 to (ounces)	<i>27,</i> 275

MR MICHAEL JOPLING'S

departure from the post of

Minister of Agriculture had been generally expected—in-deed it was welcomed by those farmers who considered that he

had not fought sufficiently hard for their interests, either in the UK cabinet or in Brussels.

That was rather an unfair indement, however on a man

whose only sin was to accept

a job carrying the responsibi-lities of office without the

EC farm policy is decided in

the Council of Ministers, where the British representative is usually in a minority. The British can protest and do their best to block unfavourable

moves but in the end, in the

so-called interest of European

understanding of, or sympathy with, European farmers. That

is a fault of most in the UK farming establishment, who are the survivors of the structural

changes which resulted in

Britain having the largest farms

in Western Europe. This has made for a great advantages of

scale but little political clout. Governments of countries like France and West Germany

are keen to ensure the survival of their rural populations as part of the social struc-ture. Farmers are conscious

of this and reinforce their stance by political and physical pressure by demonstrations. This attitude seems to be sup-ported by the urban popula-tions as well.

unity they have to conform. It seemed to me, however, that Mr Jopling had little

effectively.

to influence policies

**CEGB orders 300,000** tonnes of foreign coal

over £1 a gigajoule. A com-bination of lower world prices, higher sterling and lower port and freight charges to bring the coal to the Thames, has reduced this to between 80p and 90p a

THE Central Electricity Generating Board has placed orders third tier of pricing. Onward for 300,000 tonnes of foreign coal to feed its three Thameston the Eritish Coal contract to nearly twice the power stations.

The orders almost all involve coal from El Cerrejon, the new for the Colombian mine, at extremely low prices.

While neither the suppliers or the CEGB are prepared to talk about the prices, traders indicate about \$32 a tonne for talk about the prices, traders indicate about \$32 a tonne for the best quality coal offered, and a low of less than \$28, cif Rotterdam.

The special council session, which is expected to large attractive because the price of the Cheapest of the latest international offerings.

Altogether the company is this tranche of the British Coal contract to nearly twice the price of the cheapest of the classes international offerings.

Altogether the company is received more than \$0 replies of the CEGB are prepared to its inquiry for coal to be modelivered to Rotterdam and of Zeebrugge this summer for Pattracking and a low of less than \$28, cif Rotterdam.

The special council session, which is expected to large the price of the cheapest of the classes international offerings.

Altogether the company is the contract to nearly twice the price of the cheapest of the cheapes

dollar—the currency of international coal trading.

Last year the CEGB bought a similar tonnage which was stockpiles. Exxon and Carbocol landed in the Thames at just have won orders of about 120,000 tonnes enjoyee with

gigajoule.

face of strong competition from supply, and has an advantage in contrast, the minehead other fuel interests, writes Max in being closer to the point of price for supplies from British Wilkinson.

Lorrise PRICES on the London fatures market re-sumed their downward course yesterday under the influ-ence of continuing mild Brazi lian weather and a forecast of a bumper Brazilian crop. As the fall triggered specu-tive liquidation and ston-Caledonian Paper, owned by Kymmene of Finland has signed a five-year agreement to buy ntive liquidation and stop-loss selling the September position dipped to £1,225 a tonne at one time. A late rally 175,000 tonnes of Ayrshire opencast coal for its new paper mill at Irvine in Scotland. In left September coffee at £1,242.50 a tonne, down £14 a separate seven-year deal, British Coal is to supply Guinness, the brewer, with more than 20,000 tonnes a year

The Caledonian mill being built for £200m to use Scottish timber, will become the biggest of its kind in Scotland and the country's second largest consumer of electricity. British Coal yesterday refused to displays the price. day refused to disclose the price of the contracts. However, it seems likely that over a five-year period they average at about £40 per tonne in current prices, though is of higher quality than prover station and stockpiles. Exxm and Carbocol have won orders of about 130,000 tonnes apiece, with Shell supplying the other 40,000 tonnes.

British Coal announced yesterday that it had won two large long-term contracts in the face of strong competition from ather fivel integers written was a selected to the point of t

of Nottinghamshire coal for the Park Royal brewery in London.

### Brazil predicts bumper coffee crop

BY ANN CHARTERS IN SAO PAULO

THE BRAZILIAN Coffee the states of Minas Gerais and Institute released its estimate for the 1987-88 coffee year on ing 10.7m bags, followed by Friday with the harvest projected at 35.2m bags (60 kilos each), the third highest in Brazil's history. The IBC The IBC declined to give a firm spokesman, Mr Jose Rodriques, said that the estimated was based on a sampling of 4,000 properties in five states and could vary 5 per cent in either.

Arabicas, represent 76 per cent at 28.8m bags. Group II coffees are calculated at 6.32m bags and conillon, a Robusta type, at the end of June, although an necessarily an estimate given a reduced number of field surveys, but the trade indicated that the "called" sales still in search of number is reasonable. Major production comes from

**FARMER'S** 

By John Cherrington 💆

Washington and New York this week, when he is due to meet

Mr Robert Gelbard, the US

Mr Robert Geinard, the US
Deputy Assistant Secretary of
State for South America, Mr
Javier Perez de Cuellar, the
UN Secretary-General, and the
Argentine delegation at the
UN. He may also meet Mr
George Shultz, US Secretary of
State, although Mr Gildred told
journalists in Los Angeles,
"this is still not certain."

"this is still not certain."

It was bad luck for Mr Jopling that, fairly soon after his appointment, he was forced

to accept the imposition of EC quota controls on milk produc-

shock to British dairy farmers and was a palpable defeat for Mr Jopling, who had argued loudly in favour of price restricts.

traint as a means of curbing excess production.

farmers began to envy their dairying colleagues. That did little to raise Mr Jopling's stock

wishes to see "important sold off farms are in surplus; issues" regarding the islands but they did not leave him with being dealt with "this year."

Mr Caputo is to travel to advisory circles though.

could vary 5 per cent in either Up to June 17, exports direction.

Of the total, Group I coffees, 6.9m in green coffee and Arabicas, represent 76 per cent 6000,000 bags in soluable coffee, 126 per cent 26 per cent 6000,000 bags in soluable coffee, 126 per cent 26 per cent 6000,000 bags in soluable coffee, 126 per cent 6000,000 bags in soluable coffee.

He then displayed a degree of

naiveté unusual in a politician of his experience in trying to assuage farmers' anger at the

trend of policy by suggesting alternative uses of farm land,

particularly for building houses

and industrial development.
This brought the anger of the
environment lobby to the extent
that it became a political

liability and he had to back-

He is leaving office a failure in political terms, without honour and unsung. But then,

except in time of war, so have

most of his predeccessors.

Mr John MacGregor, who takes his place, has been Secretary of State for Agriculture in the past and has spent the last two years at the Treasury. So far he has been rather economic than the second that the seco

tuency and he has promised, as Mr Jopling did to fight what they both call discrimination against British farmers in the

track smartly,

between the private sector and the IBC, no final decision has been reached on the minimum support price for coffee in the new crop year beginning July 1. The representative National Coffee Council has proposed a gross price of Cr 3,700, about US\$88 per bag, but Mr Rodrigues said that the final support of the company of the port price, net of domestic charges, cannot be higher than

A final decision will be taken after consultation with a newlycharged with imposing austerity on government accounts and based on funds available for purchase of additional stocks. bags as stock from the past crop, while an estimated 800,000

(£4.2bn). So far the only solution proposed is an eventual increase in the contributions of member states. This is a matter

of major interest to the British

Treasury as the deficit is partly funded by national funds. For instance costs of intervention

purchases are not refunded until the product has finally

The budget could soon bring the new minister acute prob-lems. There is a threat that,

should the money run out, pay-ments for subsidies could be

much delayed. Some countries, notably West Germany, would probably pay them out to farmers and recoup the cost later. Would the British Government.

ment be prepared to do this?
Then again, with the price fixing still not completed the first cereal crops are already being harvested in Southern Europe. Britain's harvest is due

to start in about three weeks.

Then there is the problem of

monetary instability. Will Mr MacGregor be persuaded to

devalue the green pound and so raise UK farm prices, thus undoing much of the financial discipline which he has been

been disposed of.

# the current international price.

Official closing (2m): Cash 955-6 (969-80), three months 948-9 (949-9), settlement 966 (960). Final Kerb close: 961-2. The IBC currently holds 6.5m

#### Official closing (am): Cash 945-50 (953-5), three months 930-4 (928-9), settlement 950 (960). US Froducer prices 74-78-50 cents per gound. Total A thankless job changes hands cattle and breeding ewes should

be implied to a certain number	LEAD			
per flock or herd. As Britain has the largest herds British farmers would suffer most.	Unofficial + or close (p.m.) - High/Low			
It is almost certain that Mr MacGregor's main brief will be	Cash 377-9 +2.5 379 3 months 352-2.5 +5 364/359			
to see what can be done to bring order into the chaos of the European budget, which is set for a shortfall of about 6bn European currency units	Official closing (am): Cash 378-9 (375-8), three months 361-2 (356-7), attilement 379 (376). Final Kert close: 361-1.5. Turnover: 3,900 tonnes. US Spot: 24-37 cents per pound.			

#### **NICKEL**

	Unoffici close (p £per	ai + or o.m.) - tonne	High/Lov
Cash	2820-5	-5	2860/234
a months	2855-60	-10	
Official	closing (a	am): Car	sh 2800-16
(2800-5), t	hree mont	hg 2852-9	(2840-5)
sattlement	2810 (2	2806). I	inal Keri
close: 285	0-60. Tur	nover: 5	58 tonnes

<u> </u>		
High grade	Unofficial + or close (p.m.) - £ per tonne	High/Lov
Cash 3 months	535-5 +9.5 519-20 +18	628/512
(533-5), t 12), settle close: 519	closing (am): C hree months 516-6 ment 536 (535). -20. Turnover: 10,3 Western: 47,50-4	5.5 (511.5. Гілві Кегь 150 tonnes

FIN		
KUALA LUMP 16.50 (16.62) 0.12 ringgit per	ringgit	

LONDON METAL EXCHANGE

ported by the urban popula-	within the farming community,	they both call discrimination	trying to impose?		RADED	OPTIONS	
tions as well.	however, as he was well known	against British farmers in the	There is plenty of scope for		{ Strike {		!
Mr Alfonsin has been		Council of Ministers.  This is a reflection of a Com-	disagreement between the new		Price	Calis	Puts
accompanied by a high-powered delegation, including Mr Dante		munity trend to take more	minister and his farmers, and between Britain and its		\$/tonne	Nov.	Nov.
Caputo, the Foreign Minister.		notice of the social impact of	Community partners, on the				
Mr Juan Sourouille, the	swingeing cuts in the advisory	decisions. Some of the minis-	basic differences between	Atumin-	-	i –	I –
Economy Minister, and Mr		ters feel that support for	members' agricultural systems.	lum 99.7%	! =	_	=
Theodore Gildred, the US		farmers should be via direct			<u></u>		<del></del>
ambassador in Buenos Aires.  The envoy, who has been the	fied, of course, by the fact that there is little point in teaching	payments to individuals and not through price support. For	me, are beyond any rational solution. One can only wish			July Sopt.	July Sept.
prime mover of the tour, said	farmers to produce more at a	instance there is a proposal that	Mr MacGregor the best of luck	Alumin-	1.475	. J 40	1912 60 31 6312
at the weekend that the US	time when almost everything	a headage payment system for	in an impossible job.	1um 99,5%	1,525	18 25	21 621
	<del></del>			Copper	1,500		19 38
Tomore		tora an fo	w aald	Copper (Grade A)	1,525	51 41 20 33	30 60
akan ki.	ece inveci	ars on m	r yom		1 2,000 1		
Japanese investors go for gold					£rtonna 925	l	
~			_	Gopper (Grade A)	950 975	28 284	6 15 13 241 <sub>9</sub>
	RY CTEFAN WAGS	TYL IN VENICE	1		i 975 i	11 171	4 <b>–</b> –

GOLD	)				
GOLD BUL	LION (f	ne cui	içe)	June	2:
Close Opening M'n'g fix Aft'n'n fix Day's high Day's low	8443,6 8458,0	131 <sub>2</sub> ` 0	(£276 (£275	54-276 54-276 5,4421 5,750)	14
GOLD	AND P	LATIN	м с	DINS	
Am Eagle.	8450-4	55	(£282	14-28	ie

#### INDICES REUTERS

June 19 June 18 M'th ago Yearago 1699.4 1604.7 — — (Besc: September 18 1931 = 100) DOW JONES

Dow June June Mith Year Jones 19 18 ago ago Spot 128,37 129,06 — 125,07 Fut 125,29 126,56 — 115,19

#### MAIN PRICE CHANGES

£1,242.50 a tonne, down £14	MAIN PRICE CHANGES
on the day—the lowest second-position close since September, 1982. In the Lon-	June 22 + or Month 1987 — ago METALS
don market the Brazilian Coffee Institute's forecast of a 35.2m bags crop for 1987/88 was greeted with surprise and not a little suspicion. It was surprising because it was more or less in line with a recent forecast by the US Department of Agriculture, whereas institute projections are usually a couple of million bags below the USDA's. And this gave rise to suspicion that the Brazilian's might be trying to "talk the	Auminium
market down" ALUMINIUM	5 months
99.73  Unofficial + or   High/Low purity   (close p.m.) -	Palm Maiayan :
5 per topps	

Phili 18295y ------\$285 an (U.S.) \$159.5 -1 \$149.6 Cocca Ft. Sept | £1289.5 | +22.5 | £1289 | Coffee Ft. Sept | £1282.5 | -14 | £1362.5 | Cotton A Ind.\* | 20.95c | -0.3 | 79.70c | Cas Oil Aug. | £158.5 | -3.54.5 | Cotton A Ind.\* | £158.5 | Cotton A Ind.

‡ Unquotad, † Per 75-ib flask, c Cents a pound, ° Cotton outlook, v July, z Juna/July, x July/Aug, y Aug. at 431-434p (894-698c) and closed at 424-427p (679-683c).

troy az	price		UNC	HT IC
Spot 3 months. 6 months. 12 months	435.05p 444.95p 465.00p 474.75p	-25,7 -26,2 26,6 -27,[	48 48	5p 5p —
LIMETu 10,000 cz. Three m	onth fina	,	(2) 1 43	lo1 17-40

Commission house sell stope drove the market to new lows in moderate volume, reports Draxel Burnham Lambert. By early attemnon robustes had lost up to £30 from Friday's close and only the strength of the US dollar prevented further losses. Afternoon currency fluctuations steadled prices, which ended £30 off the lows. Physical activity was light with sporadic price-fixing.

lots of 5 tonnes. per pound) for June 19: Comp. daily 1979 97.72 (98.19); 15-day average 103.54 (104.38).

#### COCOA

The market gained £25-£35 during relatively active trading. The reaction was technically inspired, with commission house buying and manufacturar price-fixing evident. Starling weakness was also a factor. Origins showed token interest, reports Gill and Duffue.

Dullos.		_		ł
	Yesterday's close		Business done	ļ
	£ per tonne		COILE	
July Sept	1506-1506 1289-1290			
Dec March	1316-1317 1335-1336	+32.0	1515-1289 1667-1510	i
May	1364-1856 1370-1373	+ 33.0	1872-1550	֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֡֓֓֡֓֓֓֡֓
5ept	1387-1388	1+30,0	1006-1072	,

tonnes. ICCO indicator prices (SDRs per tonne). Delly price for June 22: 1571.10 (1549.12): 10-day average for June 23: 1536.87 (1530.91).

#### FREIGHT FUTURES

Following the break of technical sup-port on Friday, selling entered the market after an opening of as much as 10 points fower. The mejor routes were trading virtually unchanged but the BFI was announced lower again which prompted further selling during the afternoon, reports Clarkson Wolff.

1	Close	High/Low	Prev.		
Dry Cargo					
July Oct. Jan. Apr. July Oct. Jan. April BFI.	820 896 908 975 820 875 860	830/820 910/894 910/900 ——————————————————————————————————	936 920/930 918/930 970 825 875 910 1060 938		
Turnos	/er: 301	(225).			

#### GRAINS

LONDON GRAINS—Wheat: US dark northern sering no. 2 14 per cant July 94.25. August/Sept 94.50. US no. 2 soft red winter July 88.50. August 88.00. Sept 88.75. French 11½-12 per cant June 143.00. English feed for Sept 101.00-101.75. Oct 103.00-104.00. Nov 104.00-105.50 buyer/sellars. Jen/March 109.50 seller. Maisze US no. 3 yellow/Franch trenshipment east coast spot 155.00. Berley: English teed fob August 97.25 sellar. Sept 98.50-39.50. Oct/Dec 103.00-104.00 buyer/sellars. Old crop wheat rose (ractionally on consumer short-covering. New crops saw little support in early trading, reaching 40-50p down before finding keen shipper/broker buying interest, reports T. G. Roddick.

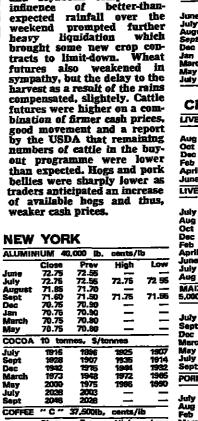
W	/HEAT		BARLEY		
Mnth	Yest'rdy's close	+ or	Yest'rdy's close	+07	
July Sep Nov Jan Mar May July	118,90 98,60 101,10 108,70 106,00 108,70 110,60	+ 0.16 -0.45 -0.58 -0.46 -0.40 -0.50	95,80 98,65 101,05 103,15 105,25	-0,29 -0,29 -0,29 -0,95 -0,16 -0,18	
8.65, S Jen 103	ept 99.90	-9.80.   March	st: July 1 Nov 101.35 106.20-6.00 7 lots o	i-0.95, May	

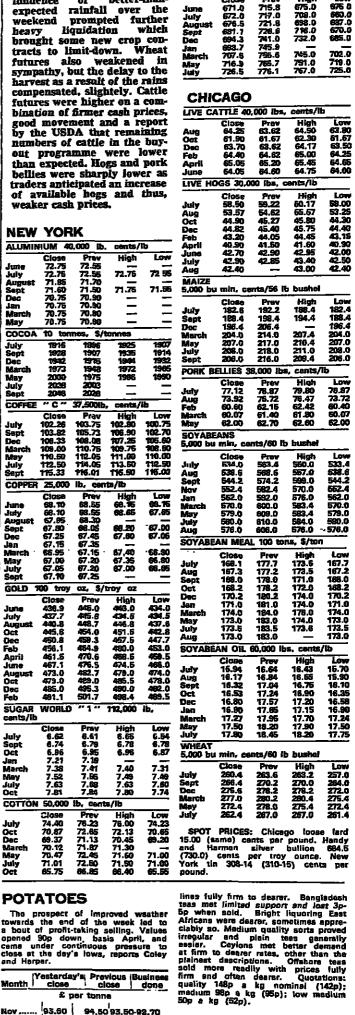
109.00-8.65. Sales: 187 lots of 100 tonnes. Barley: Sept untraded, Nov 58.65-8.40, Jan 107.05-100, Merch 103.00, May 105.20. Seles: 57 lots of 100 tonnes.

HGCA — Locational ex-ferm spot prices. Feed barley: E Mids 101.30. The UK monetary coefficient for the week beginning Monday June 29 (based on HGCA celcutations using 4 days' exchange rates) is expected to remain unchanged.

#### US MARKETS

THE strengthening dollar con-tinued to weigh on the precious metals markets. reports Drexel Burnham reports Drexel Burnham Lambert. Trade, commission house and local selling kept gold, silver and platinum on gold, silver and platinum on the defensive for most of the day, pressure that was only alleviated by periodic short-covering rallies. In copper liquidation in the July posi-tion coupled with light trade selling depressed urices tion coupled with light trade selling depressed prices despite good fund-type support. Crude oil steadied on trade, commission house and producer buying, though local selling and trade profit-taking pared gains. Trade and early arbitrage selling was insufficient to prevent cocca from rallying on good commission house and speculative buying. Cotton fell on commission house liquidation in July despite trade scale-down buying. Sugar eased initially on ing. Sugar eased initially on commission selling before trade buying prompted short-covering in the face of trade covering in the face of trade scale-up selling. In the grains and soyabean complex the influence of better-than-expected rainfall over the weekend prompted further heavy liquidation which brought some new crop conbrought some new crop con-tracts to limit-down. Wheat futures also weakened in sympathy, but the delay to the harvest as a result of the rains compensated, slightely. Cattle futures were higher on a com-bination of firmer cash prices, good movement and a report by the USDA that remaining numbers of cattle in the buy-out programme were lower than expected. Hogs and pork bellies were sharply lower as

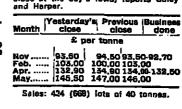




### **POTATOES**

July Oct Dec March May July Oct

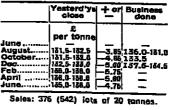
The prospect of improved weather towards the end of the week led to a bout of profit-teking selling. Values opened 90p down basis April, and came under continuous pressure to close at the day's lows, reports Coley and Harper.

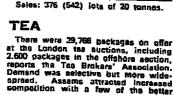


#### OIL

Latest + or -CRUDE OIL-FOB (5 per barrel)-July 17.25.17.30 -0.05 19.05.19.15 +0.076 20,75-20,80 +0.20 = PRODUCTS-North Prompt delivery cif (5 per tonne) 196-199 155-167 107-108 169-171 Heavy fuel Oil..... Naphtha

#### Petroleum Argue extimetes SOYABEAN MEAL





LONDON DAILY PRICE—Raw sugar \$172.00 (£107.00), up 80c (up £1.60) a tonne (or July-August delivery. White sugar \$180.80, down \$2.20.
PARIS—(FFr per tonne): August 1108-1110, Oct 1135-1138, Dec 1150-1165, March 1200-1209, May 1230-1244, August 1270-1280.

Sales: 1,978 (1,410) lots of 50 tonnes.

Sales: 1,5/s (1,4/d) lots of 50 tonnes.
Tate and Lyle delivery price for granulated basis sugar was £211.00 (£293.50) a fonne for export. International Sugar Agreement—(US cents per pound fob and stowed Caribbean ports.) Prices for June 19: Daily price 8.52 (6.50); 15-day average 6.42 (same).

5 per tonne \* 🕾 📑

SUGAR

	Month	resterd'ys close	+ 01	Busines: done
•		USŞ Per tonne		
	July Aug Sept Oct Nov	156.50 158,60 160.75 163.00 164.75	-0.25	157.90-55,7 158,25-58,5 181.56-60,0 165,58-82,5
i	Turnover: tonnes.	788 (977	) lo	s of 10

# Japanese investors go for gold

excess production.

It soon became clear that changes or of his prief from transferable quotas were valuable assets and other farmers began to envy their through his Norfolk consti-

BY STEFAN WAGSTYL IN VENICE

JAPANESE INVESTORS, who last year bought nearly half of the world's supply of newly-mined gold, would continue to be important purchasers of bullion, an international gold conference heard yesterday. Mr Akio Imamura, general manager of the precious metals department of Sumitomo, the financial and industrial group, said that while Japanese investment demand had been abnormally high in 1986—due to the strong appreciation of the yen last year—the importance of the Japanese gold market in the vorld would become "bigger and bigger" keeping pace with a growth of interest in gold in

Janan. Mr Imamura told more than 730 records attending a conferrace in Venice organised by the linearial Times that there had Japanese demand had been made the linearial times that there had Japanese demand had been made the linearial times that the line recently been a significant good despite an increase in the change in Japanese investors had bought gold April and 51 tonnes in the whole against 28 tonnes in the whole gold producers lay in development market. Said Mr Seiler, referring to the mented on regulatory reforms market.



Gold

as European and North American investors normally bought builton when prices began to

of the first quarter. This compared with the 608 tonnes imported last year when, exceptionally, 180 tonnes were used in the issue of bullion coins to mark the 60th anniversary of the reign of Emperor Hiro Hito, said W. Imagusa. said Mr Imamura.

Mr Tim Green, a consultant for Consolidated Gold Fields, the mining group, emphasised the importance of investment demand at a time when gold production was rising. He said the proportion of newly mined gold used in jewellery, traditionally the most significant market, had fallen from 65 per cent in the 1970s to 51 per cent in the 1980s and 49 per cent last year. As a result the jewellery in-As a result the jewellery industry was having to run very hard just to stand still, said Mr Green. The best potential for gold producers lay in developing the investment market.

other instruments, as distinct from dealing in physical bullion, the traditional activity of the Swiss banks. Suggestions gold producers lay in developing the investment market.

and the creation of a trade association to be known as the London Bullion Market Associatondon Bullion Market Associa-tion. Mr Guy said one of the objectives of the Association would be to "encourage a greater number of market makers" who could reduce volatility and increase liquidity. Mr Urs Seiler, first vice-president of Union Bank of Switzerland, told the confer-ence that Europe was facing up to the challenge of the growth in trading of gold futures and other instruments, as distinct from dealing in physical bul-

Repletear \$481-454 (23824-2844) (271-2864) (

Silver was fixed 25.76p an ounce lower for spot delivery in the London hullion market yesterday at 435.05p. US cant equivalents of the fixing levels were spot 700c, down 50.2c; three-month 712.5c, down 51.1c; six-month 725.25c, down 52.2c; and 12-month 761.9c, down 53.9c. The metal opened

#### **CURRENCIES, MONEY & CAPITAL MARKETS**

were linked closely to chart interpretations. These suggested that the dollar could summon enough support to push it higher still but underlying economic trends remained far from encouraging and the possibility of a turnaround by the dollar could be easily achieved. Analysts pointed to the better than expected first quarter GNP figures which masked a build up of inventories and not an increase in demand.

JAPANESE YEN—Trading range against the dollar in 1987 is 159.45 to 138.35. May average 140.55. Exchange rate index 219.9 against

Trading was subdued in Tokyo with the dollar moving towards the upper end of its recent trading

range. It closed at Y145.30 com-pared with Y144.80 in New York and Y144.50 in Tokyo on Friday.

The US unit met strong resistance as it approached recent highs but dealers suggested that if the Y145.50 level were broken then the dollar would move much fir-

2.04 1.48 3.94 2.67 -0.34 -0.93 -6.16 -4.81 -0.76 -5.14 0.87 -0.27 5.38 5.06 5.03

2.04 3.25 -1.38 1.85 0.58 -1.83 -8.25 -6.30 -2.87 -7.04 -1.21 -1.21 -1.21 3.20 2.87 2.92

211.3 six months ago.

were linked closely to chart

#### FOREIGN EXCHANGES

#### Pound continues to fall

The latest improvement gave further substance to claims that the dollar had found its base but

some traders were uncertain about the dollar's prospects, pointing out that any progress on reducing the trade and budget deficits was still painfully slow.

D-MARK—Trading range against the dollar in 1987 is 1.5205 to 1.7698. May average 1.7887. Exchange rate index 148.4 against

There was no intervention by the Bundesbank at yesterday's fix-ing in Frankfurt when the dollar was fixed at DM 1.8353 from DM

In the absence of any fresh eco-nomic data, the dollar's fortunes

Changes are for Ecu, therefore positive change Adjustment calculated by Financial Times.

2117-2135

9.774-9.864 10.204-10.284 12.22-2342 20.62-20.75 2.434-2.454

EMS EUROPEAN CURRENCY UNIT RATES

POUND SPOT-FORWARD AGAINST THE POUND

Belgian rate is for convertible francs. Financial franc 60.85-60.95. Six-month forward dollar 1.59-1.54 c pm. 12-month 2.63-2.53c pm.

812-914 7-714 8-814 512-514 413-313 813-816 912-10 612-614 612-614 91-914 414-414

June 22 E S CM YEM F Pr. S Fr. H Fl. Lira CS B Fr. 1. 1595 2595 2525 9.783 2438 3.303 2118 2.129 60.75 0.627 1. 1.840 145.8 6.135 1.529 2.072 1328 1.335 38.10

0.341 0.543 1 79.22 3.333 0.830 1.125 721.5 0.725 20.70 4.301 6.858 12.42 1000 42.08 10.48 14.20 9108 9.155 26.13

 Prime rate
 8.25

 Broker loan rate
 8.00

 Fed. funds
 65a

 Fed funds at intervention
 65a

9% 9% 7%-7% 84-842 5%-5% 44-44 3%-3% 84-8% 94-10% 64-64 64-64 94-95 44-44

One month

1.92 0.84-0.79 pm 3.33 1.25-1.12 pm -1.30 0.44-0.48ds 1.77 0.98-0.73 pm -2.00 2.80-3.50 ds 3.30 1.56-1.51 pm -8.18 270-320 ds -7.09 1.50-250 ds -2.72 8.00-11.00 ds -1.07 1.70-2.00 ds -1.07 1.70-2.00 ds 3.17 1.70-2.00 ds

-1.07 1.70-2.00 ds -1.32 2.50-2.90 ds 3.17 1.19-1.14 pm 3.07 9.75-8.75 pm 2.32 1.14-1.09 pm

9,2-9,5 7\2-7\3 8\2-8\3 5,2-5\2 3\2-4\2 9\2-10\4 6\3-7 6\4-7 9\4-4\6 9

9&-9%
7%-7%
8%-9
5%-5%
3%-4
8%-9
10%-10%
7-7%
6%-7%
44-4%

DOLLAR SPOT-FORWARD AGAINST THE DOLLAR

Close

te 22 spread Cine\* One monan

1.5935-1.6135 1.5940-1.5950 0.27-0.24c pm

1.4540-1.4600 1.4550-1.4560 0.43-0.38c pm

1.4540-1.4600 1.4550-1.4560 0.32-0.26c pm

1.3348-1.3386 1.3360-1.3360 0.32-0.16c dis

1.3348-1.3386 1.3360-1.3360 0.32-0.29c pm

1.6300-1.8420 1.8395-1.8405 0.32-0.29c pm

1.8300-1.8420 1.8395-1.8405 0.52-0.49pi pm

1.8301-1.421-1.432 1.431-1.432 1.50-1.350ire dis

1.22-1.329 6.73-6.74 6.73-6.74 6.73-6.74 dis

6.72-6.744 6.73-6.74 0.55-0.350ire dis

1.4510-1.45.90 1.45.75-1.45.85 0.47-0.62c dis

1.4510-1.45.90 1.45.75-1.45.85 0.40-0.37y pm

1.2872-1.292 1.2912-1.292 3.50-3.10gro pm

1.2872-1.292 1.5205-1.5205 0.32-0.27c pm

1.5205-1.5300 1.5205-1.5205 0.32-0.27c pm

811-914 71-74 8-84 5-1-5-2 132-134 33-33 711-814 9-94 61-64 41-41 94-95 N/A

B. Fr. (Cop.) ....

**EXCHANGE CROSS RATES** 

147.8 six months ago.

1.8238 on Friday.

STERLING FELL quite sharply in currency markets yesterday, finishing at its worst level against he dollar for three months as investors continued to register their disappointment at the lack of demand after the election.

The Bank of England was probably in the market attempting to smooth the pound's decline but sonly in a very modest way as the pound fell below \$1.60. The weaker trend was exacerbated by sterling fell quite sharply in currency markets yesterday, finishing at its worst level against he dollar for three months as investors continued to register their disappointment at the lack of demand after the election.

The Bank of England was probably in the market attempting to smooth the pound's decline but only in a very modest way as the pound fell below \$1.60. The weaker trend was exacerbated by an improvement in the dollar and funds were progressively funds were progressively switched into the US unit as it threatened to breakthrough recent resistance levels.

News that UK first quarter GDP had risen by 1.3 per cent to give a year on year rise of 3.3 per cent failed to reverse the bearish trend and while economic fundamentals remained generally favourable, market sentiment remained

Consequently the pound's exchange rate index fell to 71.8 from 72.2 at the opening and 72.5

Against the dollar storling fell to \$1.5945 from \$1.6160 and was lower agaist the D-Mark at DM 2.9350 compared with DM 2.9575. In yen terms it slipped to Y232.50 from Y234.5. Elsewhere it finished a SFr 2.4375 down from SFr 2.4550 and FFr 9.7825 compared with FFr 9.8725.

The dollar attracted sufficient The dollar attracted sufficient demand to break through its recent ceiling of DM 1.8330 and traders became more optimistic about th chances of moving firmer still. However the opening levels turned out to be the day's higs until late in the day when the dollar broke through DM 1.84 to touch a high of 1.8420. It came - £ IN NEW YORK

Jone 22	Latest	Previous Close
£ Spot 1 month 3 months 12 months	1.5885-1.5895 0.24-0.23 pm 0.79-0.76 pm 2.54-2.44 pm	1.6100-1.6120 0.24-0.23 pm 0.83-0.80 pm 2.58-2.48 pm
Forward pres U.S. dollar.	nterns and discor	ants apply to the

A CONTROL OF THE STATE OF THE S

----

A Maria Company of the Company of th

8 30 9,00 10,00 11,00 Nosa 1,00 2,00 3,00 4,00	am am am am pm pm pm		72.2 72.3 72.2 72.1 72.1 72.2 72.0 71.9 71.8	72.9 72.9 72.7 72.7 72.8 72.6 72.4 72.3 72.5
CURR	ENC	YR	ATES	
Jane	22	Bank rate %	Special Drawing Rights	European Carrency Unit
Sterling . U.S. Dolb	$\neg$		0.79582	0.703093

June 22	Bank of England Index	Morgan Guaranty Changes %
Sterling	71.8 102.5 77.7	-21.9 -4.5 -10.7
Austrian Schilling Belgian Franc Danish Krone	137.3 99.8 92.8	+10.2 -4.5 +3.4
Deutsche Mark Seriss Franc	146.4 171.5	+21.4 +22.3
Golider	1345 71.3 47.2	+14.3 -12.9 -18.1
Yen	219.9	+63.7

OTHER CURRENCIES

June 22	£	L <del>S</del>
Argentina	2.7670-2.7800	1.7310-1.7380
Australia	2,2205-2,2235	1.3870-1.3875
Brazil	67.1200-67.5100	42,0000-42,2100
Finland	7,1405-7,1530	4,4600-4.4620
Greece	219.40-223.20	136.15-138.55
Hong Kong	12,4825-12,4980	7.8065-7.8075
iran	117.00*	71.25*
Korez (Sth) .	1301.45-1313.20	208.20-814.50
Krwalt	0.45110-0.45160	0.28215-0.28225
_ихеафонга	60.70-60.80	38.05-38.15
Maleysia	4.0285-4.0350	25195-25210
Mexico	2100.00-2120.00	1314.00-1324.00
N. Zeeland	2.6910-2.6960	1.6805-1.6825
Saudi Ar	5.9960-6.0015	3.7500-3.7510
Singapore	3.3900-3.3950	2.1205-2.1215
S. Al. (Cm)	3.2430-3.2585	2,0255-2,0295
S. Af. (Fo)	5.3420-5.5260	3.3335-3.4485
Taiwan	50.00-50.25	31.05-31.15

1.022 1.630 3.000 237.7 10. 2.492 3.376 2165. 2.176 62.10 0.410 0.654 1.204 95.38 4.013 1. 1.355 868.7 0.873 24.92 0.303 0.483 0.889 70.40 2.962 0.738 1 641.2 0.645 18.40 0.472 0.753 1.386 109.8 4.620 1.151 1.560 1000. 1.005 28.69 0.470 0.749 1.379 109.2 4.596 1.145 1.552 994.8 1 1.646 2.625 4.831 382.7 16.10 4.012 5.436 3486. 3.504 U.A.E. ......... 5.8725-5.8775 3.6725-3.6735 **MONEY MARKETS** 

London rates higher as sterling falls

INTEREST RATES rose in London yesterday as the market reacted to another sharp fall in the value of sterling. Three-month interbank money was quoted an eighth of a point firmer at 914-916 per cent, its highest level since \$55m of eligible bank bills and \$55m of eligible bank bills all at \$55m of eligible bank bills and \$55m of eligible bank bills in \$5 per cent, its highest level since the beginning of May. Investors continued to show their disappointment over sterling's lack of improvement after the election while recent economic data revived inflation fears. News of a 1.3 per cent rise in 1st quarter GDP and a year on year rise of 3.3 per cent failed to alter the mood of the market.

L TUTURE

UK clearing bank base lending rate 9 per cent since May 8

Overnight money opened at 9-8% per cent eased initially to 8% per cent before coming back to 9½-9 per cent. Late balances were taken up to 11 per cent. The Bank of England forecast a shortage of around £1,200m with factors affecting the market including bills maturing in official bands and the repayment of any late assistance together with a take up of Treasury bills all at 8& per cent. Late assistance came to £125m, making a total of £398m.

In Frankfurt call money was a little higher at 3.3-3.4 per cent from 3.25-3.35 per cent on Friday. This reflected commercial banks starting to withdraw funds in order to meet customer tax payments due this month. The Bundesbank has provided a net DM 4.3bn of fresh liquidity through the last two sale and repurchase agreements

8% per cent.

The forecast was revised to a shortage of around £1,150m before taking into account the early help and the Bank gave additional assistance in the morning of £186m through outright purchases of £114m of eligible bank bills in band 1 at 8% per cent and in band 2 £49m of local authority bills and £23m of eligible bank bills, all at 8% per cent. 8% per cent.

£40m below target. liquidity through the last two sale
To help alleviate the shortage, and repurchase agreements

FINANCIAL FUTURES

### Gilts slide sharply

FUTUR -Last Dec 7:26 5:62 4:46 3:40 2:47 2:00 1:27 1:00 1, Calls 3

GILT PRICES fell sharply in the London International Financial Futures Exchange yesterday. Sterling's continued fall and a general loss of confidence ensured that values were marked decrease from the start of tredient. Sterling's continued fall and a general loss of confidence ensured that values were marked down from the start of trading. News of a 1.3 per cent rise in first quarter GDP did little to dispel the gloom and with the dollar threatening to move above its recent trading range, so sterling instruments lost their attraction. Yesterday's trading saw no attempts at a rally and no fresh buying. Gilt yields were showing a

acted in much the same way. A defensive rise in cash rates and the prospects of a base cut as far removed as hopes of a sunny day. ensured that values finished at the day's lows. The September price fell to 90.73 from an opening of 90.80 and Friday's close of 90.85. US Treasury bond prices were firmer, helped by the dollar's stronger tone. Underlying sentiment showed traders being far from confident however and the twin trade and budget deficits continued to exert an unsettling influence.

LIFFE LONG SILT FUTURES OPTIONS

Sinke Calis—Last Puts—Last
Price Scrip Dec Scrip

118 640 7.26 0.20 1

120 4.62 5.62 0.42 1

121 2.33 4.60 1.31 2

124 2.19 3.40 1.31 2

126 1.50 2.47 3.10 4

128 0.56 2.00 4.36 5

130 0.31 1.27 6.11 7

Estimated volume total, Calis 3.462 Puts 2, Puts Sect 0.07 0.17 0.36 1.06 1.49 2.52 4.14 5.55

Sept. 0.14 0.58 1.70 3.87 7.10 11.26 15.94 Calls—App.—16.60 6.40 3.00 1.20 0.50 0.35 Dec. 12:90 16:60 7:60 4:75 2:80 1:50 1:20 Strike Collis-Let
Price July Aug. Sept. Dec. July
1,600 1,30 3,90 2,60 11,40 1,60
1,625 0,60 2,30 1,80 — 3,30
1,656 0,10 1,30 1,20 2,35 4,80
1,675 0,05 0,80 — 1,75 7,20
1,700 0,05 0,45 0,50 1,20 9,60 1
1,725 0,50 0,20 0,30 0,95 12,10 1
1,750 — 0,10 0,15 0,55 14,60 1
Previous day's open lnt: Calls 116,252 Path 63,682
Previous day's open lnt: Calls 116,252 Path 63,682
Previous day's open lnt: Calls 116,252 Path 63,682 -Last Sept. 3.40 4.70 6.60 — 10.60 12.80 15.10 Aug. 2.20 3.90 6.00 8.00 10.10 12.60 8.25 10.00 14.00 16.10 **CHICAGO** 

92.15 91.17 90.22 89.29 87.07 88.19 88.02 87.19 87.06 86.27 Sept. Dec. Mar. June Sept. Dec. Mar. Sept. Dec Mar. 10% NOTIONAL SHORT GILT C100,000 64ths of 100% Close High 93.99 93.74 93.55 93.34 93.18 93.00 92.63 Sept. 93.99 9
Dec. 93.73 9
Mar. 93.55 9
June 93.34 9
Dec. 93.18 9
Dec. 93.00 9
Mar. 92.83 9
June
SWISS FRANC (IMM)
SFr 125,000 \$ per \$Fr CHREE-MONTH STERLING 508,000 points of 190%

Close High Low Pres. 226.10 228.30 225.90 228.20 230.50 233.50 230.50 233.40 235.00 — 237.90

235,00 — — ed volume 1,683 (2,695) : dæy's open inc. 7,881 (7,929)

93-12 93-13 92-25 92-14 — Estimated Volume 3,956 (5,840) Previous day's open and 4,065 (4,359) CURRENCY FUTURES POUND-S (FOREIGN EXCHANGE) MMM-STERLING \$6 per £ Close High Low Prev 1.5920 1.6015 1.5905 1.6040 1.5830 1.5880 1.5825 1.5965 1.5780 — 1.5780 1.5925 LIFFE-STERLING £25,000 \$ per £ Close High Low 1.5920 1.6025 1.5935 1.5856 — — 1.5809 — — wolume 132 (160) day's open let 827 (837)

FT LONDON INTERBANK FIXING (11 00 a.m. June 22) 3 months U.S. dollars bid 7 4 offer 7 L The fixing rates are the arithmetic means, rounded to the nearest one-sisteenth, of the laid and oldered rates for \$10m quoted by the market to five reference banks at \$1.00 a.m. each workard day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgain Guaranty Trust. MONEY RATES NEW YORK Treasury Bills and Bonds

3.60-3.70 3.60-3.70 3.60-3.75 3.65-3.80 84-814 81.-81; 8-51; 51.-51; 5 51<sub>2</sub>-51<sub>4</sub> 3.09375 105-111<sub>2</sub> 7.35 101<sub>4</sub>-101<sub>3</sub> LONDON MONEY RATES 91.91. 91.91. 91. 91. 85 

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USA Address: Manhattan-Windsor PO Box 92791 Milwaukee, WI 53202
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<del></del>			
Legal Notices	Art Ga	lleries	
IN THE MATTER OF LINARIA LIMITED AND IN THE MATTER OF THE CYPRUS COMPANIES LAW CAP 113	MARTYN CREGORY TRA HISIOTICH JAIMINGS TRU Mon. Fr. 10 am. 6 pm. James's, London, SW1.	DE WINDS TO C ding up the Far 34. Barr Stree 01-839 3731.	KII E.
CE IS HEREBY GIVEN that the Creditors of some-named Company, which is being mulgi- wound up are required on or before the 23rd any 1987 to send in their full names, their	CLASS ADVERTISEM		re
sses and descriptions, full particulars of their or claims and the names and addresses of their ors (if any) to the undersigned Mr Anuny ussus, FCCA, of Julia House, 3 Them. Dervis L.P.O. Box 1612. Nicosia. Corons, the Liquida-			11/h, 111 114
the said Company, and if so required by notice ting from the said Liquidator, are, personally their solicitors to come in and prove their debts default thereof they will be excluded from the	Appointments Commercial and		00
t of any distribution made before such debts oved. e this 23rd day of Jame 1987. A. HAJIROUSSOS, FCCA.	Saturday Property	6.00 25. 9.50 32.	ÖÖ.
Liquidator.	Opportunities 1 Business for	13.00 44.	
Company Notice	Personal Motor Cars, Travel Contracts, Tenders	12.00 41. 9.50 32. 9.50 32. 12.00 41.	00 00 00
	Book Page Panel	- 22. - 30.	
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FINANCIAL TIMES, 10 CANNON STREET,

# WORLD VALUE OF THE POUND

NOTICE IS HEREBY GIVEN that the Transfer Books and registers of Members will be CLOSED

VALUE OF E STERLING

92.61 92.63 92.13 92.13 91.94 91.65 91.65 91.50 91.37

VALUE OF £ STERLING

of foreign currencies to which they are tied. t quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling-dollar rates; (T) tourist rate; (Bas) basic rate marroid rate; (cb) Convertible rate; (fn) financial rate; (enC) exchange certificate rate; (nc) non commercial rate; (nom) nominal; (o official rate; (sg) selling rate; (c) contre

			£ STERLING	<u> </u>		E STERLING			£ STERLING
	· ·						_		
- 1	Afghanistan	Afghani	99.20 9.9716	Ghara	Cedi Gibrattar £	261.32 1.0	Paname	Baiboa	1.5945
1	Afbania	Lek Dinar	7.5047	Gibraltar	Dractura	221.30	Papus New Guines	Kina	1.7870 (521.76 (10)
- 1		French Franc	9.7825	Greenland	Danish Krone	11.0325	Paragusy	Guarani	11202.50
-1	Andorra	Spanish Peseta	202.85	Grenada	E. Carribbean S	434	l		(exc(o)25.91
	Angola	Киалга	49.9830	Gundaloupe	Local Franc	9.7825	Pers	Inti	(F) 39.13
-1	Antiqua	E. Caribbeau S	4.34	G03/11	U.S. \$	1.5945		*****	(Fn) 32.40
J	Argentina	Austral	2.7735	Geaterrala	Quetzal	£1.5945	Philippines	Philippine Peso	32_20
. 1	Aruba	Florin	2.8701			(F) 4.3335	Pitcalm Islands	(£ Sterling	_
	Australia	Australian \$	2.2220	Guinea	Franc	546.38		New Zealand \$	2.6935
	Austria	Schilling	20.635	Guinea-Bissau	Peso	1044.55	Poland	Zioty	418.17
ı	Azores	Portuguese Escado	228.78	Guyana	Guyanese S	14.46	Portugal	Escudo	228.78 1.5945
	Rahamas	Bahama S	1.5945	Hairi	Goorde	7.9725	Puerto Rico	U.S. \$	
- 1	Bahrain	Dinar	0.6070	Honduras	Lempira	3.1975	Qafar	Qatari Ryal	5.8595
-1	Balearic Islands	Spanish Peseta	202.85	Hong Koog	H.K. \$	12.6615	Reunion Isle de la	French Franc	9.7825
-1	Bangladesh	Taka	49.00	Hengery	Forint.	77.8572	Romania	Leu	(N/C) 16.36
. 1	Barbados	Barbados \$	3,2070	toriand	Icelandic Krona	62.872	Revanda	Rwanda Franc	131.42
1	Belgipm	Belglan Franc	∫(cm) 60,75	India	Indian Rupes	20.50	St. Christopher	E. Caribbean 5	4.34
-1			(fn) 60.90	tndonesia	Ropiah	2660.930	St. Helepa	St. Helega £	1.00
-1	Belize	85	3.1890 489.13	iran	Rial	117.00	St. Lucia	E. Caribbaan S	4.34
	Bermuda	C.F.A. Franc Bermudian S	1.5945	Iraq	traqi Disar	0.5077	St. Pierre	Local Franc	9.7825
	Bladad	Neutrum	20.50	Irish Republic	Punt Charles	1.0960 2.5725	St. Vincent	E. Caribbean \$	4.34
	Bolivia	Botiviano	(a) 3.2944		Shekel Lira	237 <i>5</i> 0	Samoa American	u.s. \$	1.5945
<u>_</u>	Bolswara	Pula	2.70	Prory Coast	C.F.A. Franc	489.13	San Marino	<u>Italian Ura</u>	2117.50
-,	Brazil	Cruzado	67.32			8.625	São Tomé & Principe	Dobra	56.70
-Į	British Virgin Islands	U.S. \$	1.5945	Janaica	Janualcan Dollar Yen	8.623 232.50	Saudi Arabia	Sandi Ryal C.F.A. Franc	5.9988 489.13
ı	Brunei	Bronei \$	3.3925	Jordan	Jordanian Dinar	0.5495	Seychelles	S. Rucee	8.90
	Bulgarla	Lev	1.4334				Sierra Leone	Leone	(6)56.90
1	Burkino Faso	C.F.A. Franc	489.13 10.8865	Катрисћев	Riel	N/A	Singapore	Singapore \$	3.3925
-1	Birtindi	Kyat Burundi Franc	206.00	Ketnya	Kenya Shilling	26.20 2.2220	Sciention (slands	Soloman Is. \$	3.2104
- 1	04 BER	Deruno Franc	20000	Kirihati	Australian S Won	2.2220 1.4988	Somali Republic	Somali Shilling	191.66
إد	Cameroon	C.F.A. Franc	489.13	Korea (South)	Was	1307.32	South Africa	Rand	((Cm) 3.2508
_[	Canada	Caradian \$	2.1285	Kuwait	Kuwaiti Dirar	0.45135			(Fn) 5.4340
ŧ	Conary Islands	Spanish Peseta	202.85		<del>-</del>		Spanish ports in	Peseta	202.85
ı	Cape Verde Islands	Cape V. Escudo	142.34	Lats	New Kip	55.8075	North Africa	Peseta	202.85
- i	Cont. Air. Republic	Cayman isles \$	1.3314 489.13	Lebance	Lebanese £ Maleti	227.31 3.2508	Sri Lanka	S.L. Rupee	46.60
- I	Chad	C.F.A. Franc C.F.A. Franc	489.13	Lesotho	Liberian S	1.5945	Sudan Republic	Sudan £	3.986
_ i	Chile	Chilean Peso	347.60	Lipia	Libyan Disar	0.4810	Sprinzer	S. Gailder	2.8642
3	China	Renminbi Yuan	5.9868	Liechsenstein	Swiss Franc	2.4375	Swaziland	LHangen!	3.2508
: I	Colombia	Col. Peso	382.50	Luxembourg	Luxembourg Franc		Sweden	Swedish Krona	10.2125
	Comoro Islands	C.F.A. Franc	489.13		B	12.9238	Switzerland	Swiss Franc	2.4375
` }	Congo (Brazzaville)	C.F.A. Franc	489.13	Mageo	Pataca Portuguese Escudo	229.78	Syria	Syrran £	(p) 6.2584
ł	Costa Rica	Colon	99.83	Matagasy Republic	M.G. Franc	1075.75	Taiwan	New Talwan \$	50.125
ŀ	Cyprus	Cuban Peso Cyprus £	1.3340 0.7730	Malawi	Kwacha	3.6550	Tanzania	Tan. Shilling	100.30
-j	CIPIS	Oppus Z	r(com) 9.05	Malaysia	Ringgit	4.0318	Theiland Togo Republic	Baht C.F.A. Franc	41.00 489.13
Ŀ	Czechoslovakia	Колика	(ac 15.75	Mosdive Islands	Ruflyra	11.1615	Tonga   slands	Palanga	2.2220
?!			(f) 15.21	Mail Republic	C.F.A. Franc	489.13	Trinidad & Tobago	Trinkdad & Tob. S	5.7402
- 1	_	_ :		Maile	Maitese £	0.5620 9.7825	Trutiska	Tunisian Dinar	1.2379 (14)
61	Degmark	Danish Kroner	11.0325	Martinique	Local Franc Gugulya	120.20	Tarkey	Torkish Link	1371.68
z٤	Dibouti Republic of	Dibouti Franc E. Caribbean S	277.00 4.34	Mauritus	Mauritlan Rupes	2035	Turks & Caicos Islands	U.S. 5	1.945
٥J	Dominican Republic	Dominicas Pess	5.7531		-	£2110.00	Tovala	Australian \$ Uganda Shiliting	2.2220 95.00
- 1		Bellinkers ( CM		Mexico	Mexican Peso	12102.44	United States	U.S. S	1,5945
ŀ	Equation	Sucre	f(o) 238,87	Miquelas	Local Franc	9.7825	Urugday	Unuquay Peso	350.75
- 1			(F) 309.80	Monaco	French Franc	9.7825	United Arab Emirates .	U.A.E. Dirham	5,8750
ı	EgyptEl Salvador	Egyptian £ Celon	3.54 7.9950	Mongolia	Tugrik E. Caribbean S	5.3503 4.34	USSR	Rouble	1.0441
i	Equatorial Guinea	C.F.A. Franc	489.13	Montserrat	E Larmoean >	بوي 13.40 (يو)	Vanualu	Vatu	170.50
ı	Ethiopia	Ethiopian Birr	3.32	Hozamblque	Melical	324.61	Vatitan	Italian Lira	2117.50
- 1	Falkland Islands	-	1.0						((4) 6.86
1	Farce Islands	Falkland Isles £ Danish Kroner	11.0325	Namibia	S.A. Rand	3.2508 2.2220	Venezuela	Ballvar	<b>(5) 11.96</b>
- 1	Fill Islands	Fill S	1.7079	Nayru Islands Negal	Australian S Negalese Rupee	33.75			(6) 46.35
1	Figland	Markka	7 1468	Netherlands	Golider	3,3025	Vietriam	Dong	(e) 128.56
-	France	Franc	9,7825	Netherland Antilles	Antillan Gulder	2.8701	Virgin Islands U.S	U.S. \$·	1.5945
1	French C'ty in Africa	C.F.A. Franc	489.13	New Zeeland	N.Z. \$	2.6935	Western Samoa ,	Tala	(A) 3.4320
_ 1	French Guiana	Local Franc	9.7825	Nicaragua	Cardoba	3516.00	Yesten (North)	Ryal	(A) 16.50 (sg)
1	French Pacific Islands .	C.F.P. Franc	172.00	Niger Republic	C.F.A. Franc	489.13	Yemen (South)	S. Yemen Dinar	0.5512
ı	Gabon	C.F.A. Franc	489.13	Nigeria	Naira	7.4080 10.7425	Yugosiavia	New Y. Dinar	1049.20
- [	Gambia	C.P.A. Franc Dalasi	11.00	Norway	Norwegian Krone	0.6195	Zaire Republic	Zaire	190.71
ı	Germany (East)	Osemark	2,9350	Orsas Sultanate of	Riel Omari		Zambia	Kwacha	12.55 (17)
- 1	Germany (West)	Deutsche Mark	2.9350	Pakistan	Pakistan Rupee	27.50	Zimbabwe	Zimbabwe S	2.68
ı									

#Rate is the transfer market (controlled). ## Now one official rate. (1) Essential goods. (2) Preferential rate for priority imports such as foodstuffs.

Debt and Essential Imports. (5) Preferential rate. (6) Free rate for luxury imports, remittances of money abroad and foreign travel. (7) Parallel rate, orts. (14) Nearly all business transactions. (15) Rigeria, Auction price for dollar N/A. (16) Bolivia, New Currency introduced (Botiviano, worth Im Parallel rate is Kwacha to the Dollar, May 5 1987.



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INFORMATION SERVICE

#### WORLD MARKETS

#### FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	_	MOI	YDAY JUNE 2	2 1987		FR	DAY JUNE 1	9 1987	0	OLLAR IND	EX
Figures in parentheses show number of stocks	US Dollar	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Vield	US Dollar Index	Pound Sterling Index	Local Currency Index	1987 High	1987 Low	Year ago (approx)
per grouping	Index	<u> 7°                                    </u>				1					,
Australia (94)	134.54	-1.4	125.10	124.14	3.16	136.45	125.19	125.75	140.95	99.92	88.67
Austria (16)	85.76	-0.1	79.75	81.81	2.31	85.82	78.73	81.38	101.62	85.76	83.20
Belgium (47)	117.09	+0.1	108.87	110.30	4.34	116.92	107 <i>2</i> 7	109.57	123.62	96.19	77.95
Connet (127)	127.06	<b>-0.4</b>	118.15	122.88	2.36	127.58	317.04	123.70	136.17	100.08	98.26
Canada (127) Denmark (39)	14911	L -0.5	111.22	112.58	2.46	120.26	110.33	112.58	124.10	98.18	91,93
Jennes (172)	105.74	\ +0.5	98.32	101.76	2.73	105.24	96.55	100.87	121.82	98.39	78.96
Mark Commer (90)	96.50	+1.2	89.73	92.31	2.03	95.39	87.51	90.73	100.33	84.00	82,75
West Germany (90)	119.81	1 –1.0	111.40	120.09	2.86	121.00	111.01	121.28	121.24	96.89	72,74
NORY NORY 143/24	128.35	-14	119.34	124.26	3.62	130.12	119.38	125.32	131.86	99.50	84.05
relano (14)	99.77	-0.9	92.77	98.95	1.84	100.68	92.36	99.47	11211	94.76	78.78
taly (76)	14630	-3.6	136.03	134.83	0.50	151.73	139.20	139.12	161.28	100.00	79.41
Italy (76)	170.28	+0.4	158.33	165.28	2.30	169.55	155.55	164.19	172.55	96.24	87.49
Malaysia (36)	268.91	+0.8	250.03	387.80	057	266.65	244.63	384.40	268.91	99.72	49.76
Mexico (14) Netherland (38)	1 120.25	+0.7	11181	113.69	3.91	119.38	109.53	112.30	120.25	99.65	88.52
Netherland (38)	99.93	-0.4	92.92	89.23	3.06	100.32	92.03	89.47	100.59	83.93	70.57
New Zealand (27)	. 77.72	+0.9	130.17	128.02	1.97	138.72	127.27	126.81	140.05	100.00	100.10
Norway (24)	139.99	+0.5	133.00	139.81	177	142.30	130.55	138.99	144.47	99.29	
Net/Jerianu (36), New Zealand (27), Norway (24) Singapore (27) South Africa (61) Sweden (33) Sweden (33)	143.04		143.48	114.37	3.62	159.54	14637	117.25	186.74		80.86
South Africa (61)	154.32	-33		11317	3.59	115,47	105.94	110.79	121.31	100.00	78.09
Spain (43)	. 117.58	+18	109.33			115.02		108.55		100.00	83.95
weden (33)	113.26	-15	105.31	107.39	2,17		105.53		124.68	90.85	87.02
witzerland (51)	98.66	+26	91.74	93.53	184	96.16	88.22	90.61	104.06	92.01	82.48
United Kinadam (335)	143.58	-2.2	133.50	133.50	3.24	146.84	134.71	134.71	151.46	99.65	98.57
United Kingdom (335) USA (593)	126.68	+0.8	117.79	126.68	2.86	125.63	115.25	125.63	126.68	100.00	102.41
		-0.7	110.87	112.86	2.87	120.08	110.16	112.65	121.71	99.78	88.42
Parcific Basin (687)	144.85	-3.4	134.68	133.80	0.67	149.97	137.59	137.86	158.64	100.00	79.53
Pacific Basin (687)	134.66	-25	125.20	125.44	145	138.06	126.66	127.81	143.34	100.00	83.04
Euro-Pacific (1615)		+0.8	117.80	126.49	2.84	125.73	115.35	125.54	126.70	100.00	102.19
North America (720)		-24	125.23	130.16	151	137.99	126.60	130,16	143.09	100.00	
World Ex. US (1817)	134.68		121.19	125.25	1.88	131.80	120.91	126.31	133.55		83.50
Morld Ev. 11K (2075)	אנטנו ו	-11	122.15	126.08				127.13		100.00	90.19
Vorld Ex. So. Af. (2349)	131.37	-12	115.77		2.00 2.86	132,97	121.99	121.08	134.83	100.00	90.98
Norld Ex. Japan (1952)	124.51	+0.2	וובנו	121.63	286	124.31	114.04	121.06	124.51	100.00	96,40
The World Index (2410)	131.52	-1.2	122.29	126.01	2.01	133,14	122 14	127.08	134.97	100.00	90.90

Base values: Dec 31, 1986 = 100 Copyright, The Financial Tiroes, Goldman, Sachs & Co., Wood Mackenzie & Co. Ltd. 1987 trius to indices for June 19 apply to the following: Australia, UK, Europe, Euro-Pacific, World Ex. US, World Ex. South Africa, W he Pound Sterling Indices with the exception of the UK. r Demogri. for June 22 were not available.

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FT CROSSWORD PUZZLE NO. 6,359

- ACROSS

  1 Revolutionary underground poet going out with society girl (9)
  6 Plant supplying drink (5)
  9 The question of children (5)
  10 Prized ruse employed in trade negotiations (9)
  11 No longer private attempts on populace? (4, 6)
  12 Blow to novice in trench (4)
  14 Where Lawrence had first attempts (7)

  15 Rectuse appearing time perhaps (7)

  7 Play on the French rejection of the country (5)
  8 During which magician is not at his best? (3, 6)
  13 Word descriptive of special trip (not Sunday) (10)
  14 Shunting trains he would find dull (9)
  15 Italian responsible for a G.I. bridal? (9)

- 14 Where Lawrence had first attempts (7)
  15 Welshman getting support over gospel (7)
  17 Beams on getting right dessert (7)
  19 Vessels for distilling answers (7)
  20 Island in main channel (4)
  22 Currently supplying cabin meals perhaps (5, 5)
  25 Clamp on meeting of two ships' complements (9)
  26 Measures leading to slippery slope (5)
  27 Ind dull (9)
  28 Italian responsible for a G.I. bridal? (9)
  28 Bird using box on line (7)
  29 Island in main channel (4)
  20 Clergyman's rule (5)
  21 Clergyman's rule (5)
  22 Some make us nervously return to follow (5)
  23 They may strike fatally where followed by second thought (4)
  26 Solution to Puzzle No. 6,358
  27 Ind dull (9)
  28 Italian responsible for a G.I.
  29 Bird using box on line (7)
  20 Clergyman's rule (5)
  21 Clergyman's rule (5)
  22 Some make us nervously return to follow (5)
  23 They may strike fatally where followed by second thought (4)
  25 Column on meeting of two ships' complements (9)
  26 Measures leading to slippery slope (5)

- slope (5)
  27 Condescends to hear North Europeans (5)
  28 Drink turning lover into glutton (9)
- DOWN
- DOWN

  Cheating in acting (5)

  Moderately outstanding sculpture of flies tormenting bear? (3-6)

  Transgresses in ordering rest permits (10)

  Lacking power to become famous (7)

- At the quarter-end review of the FT-Actuaries World Indices, it was decided to include two new sectors in the near future: Europe Excluding the UK and Pacific Basin Excluding Japan. It was also decided to make the following constituent changes with effect from July 1, 1987.
  Deletions: Fors Hafnia (Denmark): General Biscuit (France):

FT-ACTUARIES WORLD INDICES

**AUTHORISED** 

**UNIT TRUSTS** 

Hartmann and Brann (Germany) and Perugina (Italy).
Insertions: Emperor Mines (Australia): Ebes AFV (Belgium):
Laidlaw A (Canada): Hafnia Investment (Denmark): Schneider
(France): Feldmuhle Nobel. M.A.N. and M.A.N. pref. (Germany): Butoni (Italy): Orkia-Borregard (Norway): Inspectorate Group (Switzerland): Calor Gas and Rolls-Royce (UK): Breakwater, Encor Energy, Galactic Resources, Kelly Douglas A and Nowseo (US).

Goodman Fielder will be reclassified from the New Zealand

index into the Australia index.

This is a revision of the announcement that appeared in Monday's paper.

#### **BASE LENDING RATES**

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### \*\* CHANNEL ISLANDS \*\*

#### **EUROPE'S OFFSHORE BANKING CENTRE**

(August issue — THE BANKER)

As the C.L. financial community has widened its activities way beyond the high net-worth private banking sector, we shall be discussing its role as a major international offshore banking centre in Europe. In particular that of Correspondent banking relationships and relationships with parent banks throughout the world, together with Forex and other market trading.

- \* Why should banks be there rather than in any other offshore banking centre?
- \* What do banks do with the Funds they manage—Correspondent Business— Relationship With Parent Banks—Dealing Business? (Technology article)
- \* What are the constraints on banking business in the Channel Islands?
- \* Future developments and co-operation between Jersey and Guernsey regulatory authorities and other offshore centres.
- \* Profiles of the main players in the Channel Islands banking market.

For further details please contact: Robin Page THE BANKER 102-108 Clerkenwell Road, London EC1M 5SA Tel: 01-251 9321 Tlx: 23700 FINBI G

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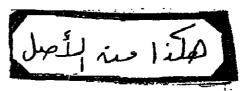
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#### LONDON SHARE SERVICE

	INSURANCES—Continued	PAPER, PRINTING—Continued	TEXTILES—Cont.	FINANCE, LAND—Cont.   GIL AND GAS—Continued   MINES—Continued   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1967   1
ħ.	333   305   Pers Hodings 10p - 333   +2   Ter 25   29   38   12.4   422   2316   Pers Group 50 - 379   -35   10.5   -38   -2   -35   10.5   -38   -3   -3   -3   -3   -3   -3   -	Night Low   Stack   Stige     Net	1987	382   241   hith Bark Canadasa   382   7.49   10   2.7   246   101   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105   105
	267 207 Steel Burnil J. 10p	160 78 Priers (Michael 150 12 6 24 24 25 149 150 150 150 150 150 150 150 150 150 150	183 118 Early to Weney 189. 143 137 36 13 267 121 549 50 50 50 50 50 50 50 50 50 50 50 50 50	165 114   Paulic Asses Tsi 50p.   165  +1   0.77   1.7   0.6   101   71   101   101   72   101   101   72   101   101   72   101   101   72   101   72   101   72   101   72   101   72   72   72   72   72   72   72   7
	527 144 Tortwart \$1.00 177-74 0.00 21 - 340 25 Track Indonety 345 - 5 43 17 25 254 (2374) Trackers \$1.25 254 (2474) 4 (2574) 175 (2474) 4 (2574) 175 (2474) 4 (2574) 175 (2474) 4 (2574) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 175 (2474) 17	373 248 Smath (Dand \$1290 372 . 14.2 3.0 1.5 29.9 483 313 Smath (Letts.)	55 37 (Hicking Pemeers) 55 6 200 113 (Hicking Pemeers) 55 6 2180 120 (Asyman M. 196 1796 +10 245 116 (Asyman M. 196 1796 240 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 130 .	\$30   445   Rachum   530   +2   13.5   0.9   3.5   0.9   2.3   94th Sep & Gen Ins   66   +3
	LEISURE	260 199 2016 Financial Comp. 200 80.5 24 42 1155 292 150 Valim Politen int 5p 290 f 155.9 0.7 132 9 1580 407 WCRS Group 10p 678 +10 1942553 0.9 13.2 C114 548 WPP Group 10p 678 1-10 1942553 0.9 13.2	375 206 f.eed. Grp 372 +2 16.25 32 23 18.5 205 141 f.ster 195 +2 11.011.4 0.7 12.6	314 1250 Constants, Fig. 314 16772-10126 73 44 When Cit
	20 111/sta & M Group 10p 19 14 14 0.0 (2.0) 2.9 2.9 83 83 84 14 17 17 18 18 18 18 18 18 18 18 18 18 18 18 18	210   69   Mack Group 20s	173 102 Love (Ribert N ) 173 17, 69 13 11, 6 13 11 11 13 102 Livie (S. 1200 127 -1 5.75 14 6.2 14.1 125 118 Mackay Hugh 222 -3 5.5 2.2 3.4 18.5 56 40 (Physics Bers 45 -6 224 7.9 14.1 121 Parkitand 18 186 -1 5.0 2.8 4 112.1 121 Parkitand 18 186 -1 5.0 2.8 4 112.1 12.1 12.1 12.1 12.1 12.1 12.1 1	115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115   115
	207 165 Rossey & Hauries 206 +1 27 17 18 19 19 19 19 19 19 19 19 19 19 19 19 19	PROPERTY  133   74   Allied London 10p	168 131 SEFT 20p	206 134 SPRAIT 50p 206 st . 35
	348 211 Casile Comms. 50 268 +3 R7.0 2.2 3.7 17.1 211 127 Caolda Radio 100 180 -1 W+5.0 18 3.8 19.5 674 370 Centrality 559 -3 17.0 2.3 4.2 14.5	780   340   Acute Property 20s	750 200 00 10pc Com Pri 750 10°4 - 1.8 - 1.8 10°4 - 1.8 10°4 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 - 1.8 10°5 -	655   520 Scat Lines   665   250 L1   10   10   257   158   Stitutione   125   158   10   10   258   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   125   1
	250   11   2077485   250   11   5.6   21   3.3   19.7	474	TOBACCOS	400 328 Sect. Namonal 407 +2 15.35 1.1 13 29 206 105 Trong Re ASO 25 186 402.55 0.6 790 383 Wester Was 512 129 207 127 238 188 5 second Market Inv Stip 204 +2 mas 22 0.1 129 208 125 m
	353   202   NTV NooPule   303     egilan   18 len	401   150   Eurford Group	1987	120-7 86 Smarter Co. Inv 11 1200-7 1 150 11 26 11 Mustar Res tr Sp. 25 1-1 551 75 (#Sparges Explin 351-2 155 120 Strate Investments 143 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 10 120 10-1 1
	97 66 Lesaretime Im 10p 78 23 6 4.0 6	C2279-[C13]   Du Reptin 1991-04   C2229     C2249	TRUSTS, FINANCE, LAND	144 1125/IR mile General   1425/4-5   221   221   UYEKSEAS   IKAUEKS   700   247   Information Creek 20c   428   -10   011d16 4  1.1   176   176   177   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   178   1
	476 80 E-Marina Dev. 500 414 - 36 i-913.13 3.0 1.0 39.8 217 1600-Mecca Leisare 10p 212 -1 1.4.1 1.8 1.7 28.0 178 92 Welecia Techian 20p 374 28 45 22 13.4 215 185 Mediminister 10p 194 15 18.2 1.9 4.5 11.8 434 218 Mediminister 10p 402 -7 1.4.8 39.1.4 139.5	350   228   Cuylorn Props 50	Nigh Lym	131   94   TR Trackles Corps.   130   1   F2.15   11   23   193   118   80   Fistay (Lines)   182   4.15   6.57   6   6.5   50   6copes Bertad MSO 50   6.5   2.2   2.3   168   First per Barra   2.3   168   First per Barra   1.3   118   80   First py (Lines)   102   4.15   6.57   6   6.5   50   6copes Bertad MSO 50   6.5   2.2   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3   2.3
	215   175   444-s Word 100	57 151/Courts Sect. 10p 54 +1 128 130 Crusy New T. 10p 180 +2 11.9 1.4 1.4 (SAs) 256 119 County Props B 10p 238 43 68 25 81 975 230 Cussar Prop. Gp 375 +2 6.6 0 23 0 18.7 1973 486 Valent (History 75	77 661-Ambres Inc. 69 11.58 0.9 23.0 605 363 0c. Cap. 605 605 158 138 American Test 157 +2 33 1.4 29 155 139 American Test 16 149	151   95   Throng USAN 7x 500
	93 34 HPrisity Radio NV Sp. 85	197 110 Descora 185rr+1 25 29 18 (23.0 50 29) Derwest Valley 5p 50 45 488 1.1 1.0 - 265 120 Owyer 286 256 278 288 288 288 288 288 288 288 288 288	195   143   Archimedes Ioc.   291.61   710.9   10   7.8   338   175   00   Cap. 50s   338   10.0   11   3.9   130   110   11   3.9   130   110   Alteritic Assets   1231   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   111   1	931 86 Finaleses Inc. 50p 913 12:89 1.0   201   330   131   904   905   904   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905   905
	162   127 (49 nm Lenare 10p. 149   -2   RL26 25 (4.0 14.0)   163   43   FRadio City 'N NV   136	200   135   Ess. & Agency   185   3.0   0   2.2   0   133   130   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150   150	68 57 Basiline Gallord Sh Nip 679 0.2 12 0.4 88 64 Basiline Gallord Tech. 87 -1 15 14 2.4 88 69 Basiline Gallord Tech. 87 -1 15 14 2.4 318 267 Berry Trust. 318 11 1.5 0.5 78 60 Gertrams line. 15: 73sd 71.0 1.9	308 105 Names Securies 100. 288 :+21 1.5 0.2 0.9 422 150 NMcTiney Red Like 350 :+7
	220 112 Saya Hols, 20; 222 -1 4,6 (2,2 3.0) - 222 113	117   52   Five Cales Imm 5p	81\  64\  64\  67\  67\  67\  67\  67\  67\  67\  67	131 100   Females   182   193   194   195   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197   197
	70 19 #Spectrum 59 55 78 10 190 Stantey Leisure 338 +1 #3.25 2.8 1.3 37.5 95 471-TSW 59 78 72.05 2.6 3.6 14.9 404 210 [77.4 TSW 59 945 +3 15.77 3.4 2.3 14.9 454 250 [77.5 10.0 3.3 3.4 [22.6 4.5]	353   192   Grainger Trust	392     277     Catedona Irrs. 5p     36/94+42     5.5     \$0     20       130     113     Cambrasa and Genes     128     985     12     11       226     203     Do. Cao 71:p     210     —     —     —       E21     £191 Camella Irrs. 10p     £20     14.0     2.4     1.0       233     135     Charl' Is. Inc. £1     148     981½ 0.9     —       £14     950     Do. Cao     £14     —     —	1987   For Bly   Trial   94   70   Care, Plants MS0.5   90   F2   Clark 1.4   3.3   1.987   For Bly   Fried   Fr
	88 57 Felevision Svcs 50p 66	799   52) Hanptoe Trust 5p 77/2   11/9   11.0   1.2   1.8   83.2   355   215   Hanptone Orect 10p 325   25   385   3.7   1.6   22.5   855   370   Handarder Prop 10p 535st   10   11.36   3.1   2.5   16.8   305   85   Helical Bar 5p	55 42 Cauld Health 10p	171   131   Anticis Hame     169       20   0   16   0   *63   52   Rose Exars Inv. 10p   58
	179   132   Wrgan Group 10p   158   +2	620 430 Imry Intl	89 56 City of Gutend Sp. 89 1,75 1.0 1.27 210 140 Cores Venure Ty 10p. 210 +2 0.2 2.9 0.1 113 59 0s. 100 Warrants 113 +3	34 20 Warst Merch ASL 26 Qic \$\phi\$ 155 \$\phi\$ C2 E19 Lawre Gp. F1 \$2212 400 26 25 225 102 (Edrosprog Investment J. 220
	MOTORS, AIRCRAFT TRADES  Motors and Cycles	E208	853   780   Continental & Ind.   843     49/20.0   1.0   3.2   1594   1.16   Crescert Japan 50p   154st - 1½   10.15   3.1   1.3   0.1   83   7.1   Dante Liec.   83     15.25   1.0   8.7   40   12   0.0   Capi 2p   40   +2   9.12   1.0   6.9   180   143   Derby Ts. Inc.   180   142   9.12   1.0   6.9	273   233   Berkeley Sevent & Co.   273   +5   Q8d     1.8
	223   Sen. Miss. Units.   259   +6   025c   5.9   -752   487   Mindia Notor V50   752   +10   024c   0.7   φ   0.7   φ   536   -1   9.5   4.2   2.4   11.6   11.7   2.7   4.8   1.9   8.8   8.8   1.9   8.8   8.8   1.9   8.8   1.9   8.8   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9   1.9	136 932 Dates Conv. Pref 1357 - 15 6.0 - 6.1 - 279 209 Dates Co. Pt 529 65% - 6.7 - 230 159 Latin & Mirghin Sp 295 - 5 1.1.1 3.9 1.4 24.1	233 133 Do. Can. 10p 233 +2 10.75 1.0 3.0 496 375 Drayton Core. 494 +2 110.75 1.0 3.0 264 203 Drayton Far East 261 -1 12 1.4 0.6 1.68 113 Drayton Japan 82.41 1.66 1.05 23 0.2 217 Durdee & London 255 +1 10.0 1.0 25	720 12 Combum Vec. Cp. 50 20 41 70 12 31 36.2 Central Rand 333 23 Contoner in m
	230, (257) toto K/25 301+1, (37%)   126	288 Len. Froh. Snp. 1191	127 109 Edinburgh Am. Tot. 128 +1 0.65 15 0.7 58 47 Edinburgh For 151 5312-12 0.6 -1 16 1732-153 12-12 0.6 -1 16 1732-153 12-12 0.6 -1 16 1732-153 12-12 1731 1731 1731 1731 1731 1731 1731 17	1 Castern Rand   Eastern Rand   East
•	425   330   Abthry Parels   425   2,413.4  0.8   12.7   193   60   Abriton Streambers   193 ct.   3.0   4   21   4   213   12   3   18   195   4   70   4815.10p   94   4.0   1.9   5.8   11.3   285   219   Downty 50p   274   4   15.5   2.7   2.7   18.9   1419   286   5.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6.6   6	C10°   78   Marke Esistes   973   -52   94.0   0.6   4   238   113   5443ylar (n) 7005   220   91.1   0.7   4   259   195   51.0   6   3.1   6   180   118   Marke Moore 50   380   415   43.0   43   1.1   29.2   39.0   230   Merrisale Moore 50   380   415   43.0   43   1.1   29.2   230   133   Merris Intil Props   225   40.0   645   1.7   6.4   -   275   184   Mountleigh   225   40.0   645   1.7   6.4   -   225   40.0   645   1.7   6.4   -   225   40.0   645   1.7   6.4   -   225   40.0   645   1.7   6.4   -   225   40.0   645   1.7   6.4   -   225   40.0   645   1.7   6.4   -   225   40.0   645   1.7   6.4   -   225   40.0   645   1.7   6.4   -   225   40.0   645   1.7   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.5   6.	530   400 Entrop Res Pig M P1   500   020c 0   25   623   640   650   020c 0   25   623   640   650   020c 0   25   623   640   650   020c 0   25   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   623   62	-60 + 44 [Frenterto 106
	219 95 ited: Fig Higs 10p 222-5 22 3.8 1.4 24.9 695 445 (mas led; ci — 661 -19 13.0 3.7 2.7 10.5 101 45ptr 50 — 205 17 121 4.9 1.4 11.7 Garanes and Distributors	882   115   Co. 525ac Con Pt - 1865년 부 12 [522개 - 143] - 1	253 1.68 English Nat Ine Pfd 253 10.45 1.0 5.7 1215 1.50 Do. Did 215 1.50 Do. Did 215 5.55 9 3.5 1.65 74 Ensign Trust 85 +2 1.0 1.2 1.6 1.8 770 Do. B 8 8 8 +2 1.0 1.2 1.6 1.8 1.6 1.6 1.6 1.6 1.6 1.6 1.6 1.6 1.6 1.6	445   273   Harvey & T. 20p   445 of 1-10   FB.5  3.3   2.6   22.2   972   84   Markey & B.5   1.3   1.2   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1.4   1
	38	*77 12*Neten Espand Press Sp.   68x7 - 5	162 129 F & C Altance ior 162 129 F & C Altance ior 1731 24 F & C Ent Te 10p 311 262 F & C Ent Te 10p 264 1 264 1 264 1 273 1 27 1 28 1 28 1 28 1 28 1 28 1 28 1 28	20   100 evaluation strate   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100
	673 215 Cover (7) 5p 677 655 51 13 (192 2 20) 135 Cover (7) 5p 180 -3 55 0 4 3 0 222 155 Evans Halstraw 281 +2 419 46 20 (142 300 116 Gates (F.G.) 263 40 207 21 245 141 78 (Stanfield Lawrence 110 -4 6	710 470 Peal Hidgs	525 455 [Fashian & Gen	118   90   Manual K5
	73 35 kets Wo. 71 135 26 26 19.9 218 110 lesses 213 +11 145 30 29 144 193 63 istadas Gp. 109 191 +1 4.0 1.8 29 24.6 475 778 Les Seroce 443 -14 10.6 1.6 33 25.8 650 219 antises 468 +5 10.6 1.6 33 25.8	273   80   Ramar santa Tsl.   256   -7   1.8   0.1   1.2   1.8   0.1   1.2   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5	135   0.7 pc Cullat.n 1999   £142 - 1   07% -   55.0   280   200   Flemong Experture   280   +2   5.65   1.0   28   533   321   Flemong Experture   558   +2   9.0   1.0   2.3   180   148   Flemong Far Eastern   1764-115   1.0   1.0   1.0   227   143   Flemong Far Gastern   227   143   Flemong Far Gastern   227   143   Flemong Far Gastern   227   144   2.55   1.0   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5	91 54 Do Detd. 87 -1 914 525 Elandsrand Gid. 20c - 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Warrants     165     — — — — — — — — — — — — — — — — — — —	188   125   Sunt 100p   168   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175   175
	480 340 Independent 680 0885 0 2.3 0 164 98 Ind Best Connex 10p 164 30 2.2 15 23.4 185 27 1.7 22.4 185 118 4 184 184 184 184 184 184 184 184 1	'360 67 Washes (Afreed 109 - 3606	54 43 (be Warrants	43   241-Witamor Intestinest   26   +12   -  -  -  -  -  -  -  -  -  -  -  -  -
	1100 223 News Int. Spec. Dw. 2207 9 49.0 Lt. 0.6 12.8 27.5 25.1 Octopes Pub. 50. 377 49.0 Lt. 0.8 20.8 20.8 26. 15.8 Portsey th. 5.9 26.6 15.8 Portsey th. 5.9 26.6 15.8 12.5 Squarto Group 178 12.5 Squarto Group 178 12.5 25.2 25.1 0.8 25.8 27.0 12.1 24.3 21.3 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.3 21.0 24.0 24.0 24.0 24.0 24.0 24.0 24.0 24	132   Water City of Lon.   2251   -12   2.54   1.6   1.5   49.9   174   100   Wrestmin. & County   1.60   ±55   1.8   ± (9.1)   338   280   Wrigate Prop Inv   329nd -5   32.6 4.3   1.1   30.9   207   170   4Wood U.D. 109   207     82.5   3.6   1.7   23.0   1.7   23.0   23.0   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3   4.3	365 269 Govett Strigt Inv 10p 364 3.8 1.1 1.4 555 416 Greetinar Inv 454 -1 2.0 1.3 0.6 525 290 Greston House 525 4.85 2.0 1.3 32 26 Group Dev. 10p 32 -1 50 4 2.7 1.25 67 Do. Warrants 257±1 5.0 ¢ 2.7 1.25 67 Do. Warrants 257±1 5.0 ¢ 2.7	OIL AND GAS    SITE   SEE   Res. Print Life   979   -6   101350 15 43   REGIONAL & IRISH STOCKS
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	90 51 3:ATA Selection 59 76 -1 15: 2.6 2.7 19: 5 940 226 Albook M4 Victor 59 357 +7 3.5 1.0 14: 94. 9 156 114 (Aufsian Corosit 59 146 +2 2.5 3.6 21: 18: 5 580 31.8 (August Corosit 59 146 +5 3.7 4.4 0.9 35. 9 311 278 Acost. Pager 310 -1 77.0 2.4 31: 17.3 900 52 Ault & Wiborg 76 -1 11.0 4.2 18: 18: 18: 2	52 15% Common Brrs. 1p 52 +4 20.9 67 56 Feber U1	544   31   J.F. Pac Win SA Co Ord.   544	194   124   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154   154
	52 65 February 19 10 14 15 15 15 15 15 15 15 15 15 15 15 15 15	St.   Zolton USeas Frits   33	196   136   Jos Hutkings   196     4.0   1.1   2.8   90   74   Jose Inv. Inc. 10p   90   +1   5.79   1.0   8.8   74   3.6   Bo. Cap. 2p     72   -2     8.8   110   126   126   127   126   10   127   126   10   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127   127	83   68   Da Ser Pf. St.
	177 Sease Massan 12-9 312 +6 G14 01 2 6.6 D34 355 243 BPCC -9 312 +6 G14 01 2 6.6 D34 355 243 BPCC -9 248 41 Bernardy Grop - 248 -1 11 4 25 4 25 24 22 24 32 24 32 24 32 24 32 24 32 24 32 24 32 24 32 24 32 24 32 24 32 24 32 24 32 24 32 24 32 24 32 24 32 32 34 34 34 34 34 34 34 34 34 34 34 34 34	SS2v 20   Decen Transport   SS2v + 1	165 147   Melmouri D'seus Tu.   157   +1   2.5   1.0   2.2   4.3   38   Melmouri Smaller Cos   648   +2   9.2   1.0   1.9   1.12   Moreo Europe Fland   1.33   1.1   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3   1.3	445 400 (Salor Group Stor
	215   218   Chaoman Inds. 506   315ml+3   422   4   14   225   140   62arke Hooper 55   125   44   823   29   14   33.8   195   156   Clondallon Group   195   1624   125   13   14   15   16   15   16   16   16   16   16	398   285   Tiprose 109   385     F4.3 3.3 1.5 125.77   530   370   Turnbell Scott 11   530     F4.3 1.3 1.5 125.73   4.0 1.7 1.2 124.31   SHOES AND	303 Z34 De. Can. 59 300 -3 3 297 209 Inn. Atlantic 296 725 L0 3.4 244 IB7 km. & Strathcyte 244 13.0 L1 1.7 75 57 London Trust 46 30 De. Wilson Trust 46 36 20 De. Wilson Trust 46 20 De. Wils	67 34 (#Clareness Pet NL 49 -2 g05c 43 45 5.2 £30), £194,0F5 lms lc.
	108 R3 **Craton*Lodge Ip 103 12.23 JD 25 IS 6 467 345 Cropper (Lemes) 465 275 \$\theta\$ 0.8 \$\text{0.8}\$	LEATHER	220 145 Lowland law 219 136 11 23 421 576 14 6 G Deal Inc. 10p 420 33.7 \$\phi\$ 110 110 110 110 110 110 110 110 110 11	126   59   (Chromy Pethalics)   75   3
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	**453   246   SRLP Ground 59	TEXTILES	864 491 New Court 500	258 131 Pharing P.S. 253   9,0 1914,914.1 123 38 Whominton Minary 104   141 157   157 140   1600 100   54     4 20   16 White Per Cron. 395   147     112 62 Weastern Crop. 17   170   1800 100   170   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   180   18
	215 148 Settiluard Brown 10p. 285 -5 3.6 3.0 2.9 1226 128 138 Settiluard Brown 10p. 214 +3 4.6 3.0 2.9 1226 128 100 Historians Cross 5.0 208 120 120 Historians Cross 5.0 208 120 120 Historians Cross 5.0 120 120 120 120 120 120 120 120 120 12	315 173 Besies U J 20p. 315 148 40 21 127 145 102 Bectonan A. 10p. 143 15 73 1.5 5.5 16.3 23 137 Brit. Mohair 222 6.5 2.9 14.0 12.0	138   1151   New Toryo Inv. 50p	10   10   10   10   10   10   10   10

Jon 1 Jun 11 Jun 12 Jun 22 Jun 15 Jun 23 Jun 26 July 6 Jun 29 July 9 July 10 July 20 New time dealings may take place from 9.00 am two business days earlier. A weak pound, and a lack of New time dealings may take place from 9.00 am two business days earlier.

A weak pound, and a lack of foreign interest, undermined the UK securities markets vesterday, and a nervous session ended with equities slipping lower in the company would soon move to alleviate its overseas debt position; the City will report a major rights issue equities slipping lower in the wake of losses of 1½ points in Government bonds. Selling remained moderate but the City's concern over interest rate and inflation prospects increased as yields on long-dated British Treasuries moved significantly

The equity sector was less decided in its response to the interest rate worries, and spent much of the day 'trying to find a new trend," as one trader put it. Prices opened firmer and the mar-ket moved within a range of plus or minus five points on the FT-SE scale until late in the session. when prices turned downwards. The FT-SE 100 index closed 21.5

above 9 per cent

the loss occurring after 4.00pm. The loss on the FT Ordinary was 213 points, bringing a final reading of 1.737.0.
The indexes were sustained to

some decree by firmness in a few

major stocks. Imperial Chemical Industries. Reed International, Unilever, and Midiand Bank all helped brighten the picture. Oil shares also performed well for much of the session, as Texas crude prices moved above \$20 a barrel ahead of this week's meeting of Opec ministers. But trans-atlantic stocks drew little benefit the close from early gains on Wall Street

With equity traders still trim-ming positions in markets devoid of foreign buyers, share prices gave ground at the close. Glaxo again suffered heavily for its identification as the favoured stocks of the Japanese houses.

The privatisation issues were also mostly easier, with British Gas continuing to give ground. The announcement of details for the forthcoming sale of British Airports Authority did nothing to help British Airways shares. British Aerospace, however, rebounded after two weak trading

first from a confident report from the Confederation of British Industries but soon succumbed to the underlying weakness of the

Government bonds opened lower as the LIFFE futures market sagged in the face of a weak pound. Attempts to rally proved unsuccessful, and prices slid heavily at the close, to end with

net falls of 112 points.

Business was largely led by the futures markets, and dominated by the pound's fortunes. Traders sounded increasingly nervous as long bond yields moved up to 9.22 currency influences, per cent, and resistance levels in both futures and cash markets

**EQUITY GROUPS** 

& SUB-SECTIONS

stocks per section

CAPITAL GOODS (213)

Building Materials (29) Contracting, Construction (33)

Mechanical Engineering (60) ... Metals and Metal Forming (7).

Other Industrial Materials (21) CONSUMER GROUP (185) ....

Packaging & Paper (15) .... Publishing & Printing (15) ... Stores (36) ..... Textiles (16) ....

OTHER GROUPS (85)

Conglonierates (21)...

Shipping and Transport (21). Telephone Networks (2)

INDUSTRIAL GROUP (483).

500 SHARE INDEX (500).

insurance (Life) (9)...

Property (46)...... Other Financial (28)

investment Trusts (93)

ALL-SHARE INDEX(724

FT-SE 100 SHARE INDEX &.

FIXED INTEREST

Fri June 19

-0.37 123.82

-0.99 142.95

-1.13 (153.36

-0.61 167.92 -0.83 139,44

+0.04 121,97

+0.90 116.00

+0.83 116.32

-0.67 ; 124.06

90.33 +0.34 90.02

Mon June 22

123,36

141.53

151.63

166.90

122.01

117.05

117.28

Mining Finance (2)... Overseas Traders (11

PRICE

1 5 years.

British Governs

3 Over 15 years...

2 5-15 years ...

5 All stocks

7 · Over 5 years

9 Debentures & Loans ... 123.23

81 All stocks.

FINANCIAL GROUP(118).

lasurance (Composite) (7) ...

Insurance (Brokers) (9) .... Merchant Banks (11) .....

Agencies (16)

Chemicals (21).

Gil & Gas (17) ...

Food Manufacturing (25)
Food Manufacturing (25)
Food Retailing (15)
Health and Household Goods (10)
Leisure (31)...

Electropics (35).

Moters (15) ..

# Government bonds and equities suffer renewed losses

hope that 914 per cent yields will provide a floor for the market, but admitted that there had been no retail support yesterday as these

still expects a major rights issue from the group which is thought to be the most heavily exposed to third world debtors. The Midlands Bank share price

was at one stage boosted to 630p by strong rumours that TSB was about to acquire its Thomas Cook subsidiary, but a Press conference subsequently revealed that TSB had agreed to acquire private financial services group Target for some £220m cash. TSB closed 2 higher at 78½p. TSB's interim figures are due on Thursday. ICI. finally % higher at £14¾, after £15, provided one of the devis outstanding firm features.

day's outstanding firm features following the agreement to sell the speciality chemicals business of Stauffer Chemical to Akzo America Inc.

ICI bought Stauffer from Unilever a couple of weeks ago and intimated at the time that it had approaches for the unwanted Stauffer businesses: analysts expect that ICI will raise a further \$400m from the sale of further peripheral Stauffer businesses.

Reed International continued to resist the trend jumping 28 more to 604p in another active trading caround 13m shares session changed hands) as rumours of a possible takeover failed to subside despite the company's statement that they have not received any bid approaches.

Marketmakers found it difficult to identify the source of demand. but suggestions that the US invest-ment bank First Boston may be purchasing shares in Reed as a prelude to a bid from Harcourt Brace Jovanovich in an effort to thwart the offer for the latter from Mr Robert Maxwell's British Printing and Communications Corporation were not ruled out of

Apart from the erratic movement of the Midland Bank share price, the other major clearing Industrial shares benefited at in relatively thin trading. NatWest rst from a confident report from drifted off to close 10 cheaper at

> Rea Brothers attracted buyers at 5 to 310p ahead of results due Thursday.

cumbed to light profit-taking, about by sterling's uncertain Commercial Union easing 8 to 347p and Royals losing 14 at 474p. Life issues also gave ground after the retailers. In a sensitive market, recent good run with Pearl 35 down at 379p and Prudential ¼ lower at £10½. Abbey Life remained on offer at 257p, down 9. Lloyds brokers went ahead on per cent, and resistance levels in both futures and cash markets were brushed aside. City houses Dealings in Hogg Robinson were September launch. In sharp con-

These Indices are the joint compilation of the Financial Times.

the Institute of Actuaries and the Faculty of Actuaries

Monday June 22 1987

Earning Yield % (Max.)

7.30 7.02 7.11 5.63

7.33 8.34 7.08 8.45 6.45 6.12 7.99 6.93

5.29 4.13 5.84 6.03 5.17

6.77 7.69 7.86 4.39 7.12

6.89

4.89

6.58

8.66

6.27

+0.3 — -1.3 3.82 +0.2 6.41

rd Adj. 1987 to date

5.53

7.22

6.85

6.64

1.57

171

1.69

5.86

3.01

Day's Change

-1.3 -0.2 -0.8 -1.1 -2.2 -1.3 -1.2 -0.8

-1.4 -1.2 -0.6 -0.7

+1.9 -3.4 -0.1 -0.3

+0.5

**3.**0-

-1.0 -0.6 -2.9

1127.96 - 0.8

xd adj. today

939.46 | -1.3 1212.74 | -2.0

1692.24 2367.77

2103.24 499.24 524.27

354.90 1534.67

1299.91

1013.66 2474.68 2448.24 1365.81

692.23 4374.86

1088.76 1563.39

1375.80

2237.51

790.40 829.93 1089.13

134431 -0.3 12227.30; -0.2 |1127.43; -1.2 |1488.48| -0.6 |1162.70; -1.1

Gross Drv. Yield\*: (ACT at 27°a)

2.85 2.78 2.82 3.33

2.12 3.41 3.04 3.03 3.21 2.57 3.00 2.33 1.63

3.11 2.49 2.79 2.68 2.81 3.19 1.54 3.20 3.40 3.61 3.55 2.95

Ratio (Net)

17.24 17.79

18.89 23.85

17.76 15.03 17.01

13.78 18.70 20.94 15.74 18.78 25.81 28.39 22.53 20.93 24.88 19.96 15.10

30.07 17.22 14.65 17.96 14.96

13.52

--7.92

2.81 18.35

4.13 : 26.50

3.01 19.26

3.87 — 4.16 — 4.34 14.88 3.19 — 2.44 34.01 3.07 19.64

Day's June Low 19

Medium Coupons

7 High 8 Coupons

Index-Linked

11 Inflat'n rate 5%
12 Inflat'n rate 5%
13 Inflat'n rate 10%
14 Inflat'n rate 10%

2244.6 -21.5 2272.6 2244.6 2266.1 2293.2 2320.4 2309.0 2307.6

AVERAGE GROSS REDEMPTION YIELDS

FT-ACTUARIES INDICES

as the pound gives ground

	June	June	June	June	June	Year	1987		Since Congression		
	22	19	18	17	16	age	High	Lon	High	Lo-s	
Government Secs	90.59	91.16	91.94	92.38	92.28	90.47	93 32	84.19	127 4	49.18	
Fixed Interest	98.03	98.50	98.88	98.85	99.06	96.61	.851 99.12 (156)	(61) 90.23 (21:	(9 1 35) 105 4 (28 11 47)	3 1 75) 50,53 (3 1 75)	
Ordinary 🛡	1737.0	1758.3	1783.1	1801.7	1794 5	1,338.2	1.501.7	1,320 2	1,801 7	19 4	
Gold Mines	376.7	390.1	383.0	380.2	388.7	208.5	(176) 435.0 (144)	(2 1) 288.2 (19 2)	(17 6 87) 734.7 (15 2 83)	126 6 43 5 43 5 126 10 71	
Ord. Div. Yleid	3.29	3.26	3.21	3.17	3.19	4 12	S.E. ACT				
Earnings Yid.%(full)	7.93	7.86	7.74	7.66	7.71	9.87	In	lices	June 19	June 13	
P:E Ratio (net) (*)	15.53	15 67	15.90	16.09	15.99	12.33	Gilt Edget	Sargains	143.2	135 2	
SEAQ Bargains (5 pm)	45.310	43.540	49,867	52,863	52,118	_	Equity Barg	Miles	3-15 1	381.4	
Equally Turnover (Em)	_	1523.58	1582.27	1811.74	1715.75	584.47	5-Day Aver	e ,. 70e	3079.5	3198.2	
Equity Bargans	_	53,267	58,861	64,368	63.295	22,936	Gilt Edgeti	Baronins	1453	1599	
Shares Traded (ml)		b28.7	704.3	837.2	614.7	233.4	Equity Barq	3485 e	3375 4	427 6 3714 6	
	10 a.m.		a.nı.	Noon		р.п.	2 p ni	., , .	p,m }	1111	
1753.6	1757.5	175	3.3	1751.2	1	750.0	1752.	3   11	756.7	1750	

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-246 8026

suspended at 560p at the company's request pending details of company restructuring

Elga Group, a designer and manufacturer of water purifica-tion systems, staged a highly successful market debut; the shares, placed at 95p, opened at 113p and advanced to 125p, a first-day premium of 30.

USM newcomer Stance Exhibi-tions were also supported in first-time dealings and moved up from an opening price of 31p to close at 37p which compares with a placing price of 20p.

Leading Building issues were hit by nothing more than a slow downdrift owing to lack of sup-port. Blue Circle slipped 16 to 469p, while Redland gave up 8 at 527p. BPB Industries, preliminary figures due on Thursday, shed 16 ment of the Midland Bank share price, the other major clearing banks moved within narrow limits in relatively thin trading. NatWest drifted off to close 10 cheaper at 718p.

Has Repthers attracted by years at 126p in reply to Press coment: the 126p in reply to Press coment; the interim results are due on

Composite Insurances suc- current interest rates, brought double-figure losses were sus-tained by W. H. Smith A, 368p, and Woolworth, 401p, the latter despite a "long-term buy" recomahead on mendation from securities house Stewart BZW. Next shed 16 to 334p despite comment on its children's wear chain which is scheduled for a

Year ago (appros.)

Wed June 17

Thurs June 18

9.84 952.23 961.73 963.76 729.99 12.92 1237.67 1257.63 1269.61 793.99 19.05 1711.55 1728.44 1725.17 1219.44

31.62 2387.89 2406.99 2434.23 1934.11

31.62 (2387.89) 2406.99 (2434.23 1934.11 12.62 (231.03 2141.23 2133.05 1654.88 7.31) 500.27 503.95 503.13 413.66 5.48 528.42 532.60 531.54 362.16 3.42 358.97 363.39 364.05 314.04 1324.93 13.05 1317.60 1339.98 1353.49 925.53 11.65 1187.71 1212.67 1235.13 953.21 12.74 1022.25 1031.77 1044.57 680.07 21 12 231.11 10 258.01 260.07 57 1831.76

21.12 2511.01 2589.81 2600.57 1831.76 14.62 2477.61 2525.35 2592.70 1603.42

16.11 1374.71 1390.31 1382.12 902.76 7.40 696.86 697.29 693.17 486.34 54.63 4295.36 4201.25 4106.88 2542.95

54.63 4295.36 4201.25 4106.88 2542.95
11.73 1105.58 1134.27 1146.50 870.09
10.56 797.61; 810.58 806.62 542.23
9.74 1092.44 1108.00 1123.62 803.21
9.50 1585.92 1610.21 1628.38 0.00
13.73 1347.91 1360.04 1368.83 0.00
37.76 2231.52 2251.46 2267.75 1494.70
1.09 1141.09 1173.60 1214.51 912.17

18.08 1497.57 1512.87 1518.24 1054.10

11.44 1175.33 1192.33 1203.21 854.31

37.29 2225.83 2208.69 2216.30 1199.76

13.70 1264.47 1278.52 1289.11 885.34

12.57 797.99 807.01 814.56 597.14 15.49 834.80 843.77 853.43 623.37

15.49 834.80 83.77 823.43 823.43 20.71 1122.17:1144.64 1164.73 854.85 11.76 597.02 598.71 606.81 473.80 26.32 1228.07 1221.52 1214.93 1159.33 4.41 401.10 401.96 403.81 376.88 10.92 1217.56 1239.34 1244.28 784.12 5.42 515.76 522.16 525.33 344.26

Year ago (approx.)

7.65 9.07 9.14 9.22 9.39 9.40 9.54 9.54 9.43

3.79 3.28 2.51 3.22

10.31

3.19 - 4.1 401.101 401.96 403.81 376.88 2.44 34.01 10.92 1217.56 1239.34 1244.28 784.12 3.07 19.64 5.42 515.76 522.16 525.33 344.26 224 - 10.58 1058.05 1070.42 1072.50 752.03 3.41 18.74 6.79 492.42 490.05 485.01 266.82 4.45 13.62 22.64 1051.35 1052.56 1054.11 670.75

3.10 : - 13.26 1137.25 1149.23 1158.35 801.50

June June June 18 17 16

Over 5 yrs. 5 yrs

5 years..

Mon June 22

8.11 9.03 9.05 9.20 9.27 9.27 9.37 9.39 9.13

9.82 10.11

10.20

Fn June 19

8.11 8.87 8.88 9.01 9.12 9.13 9.24 9.02 8.92

9.78 10.02

10.10

Fri June 19

trast, Press mention prompted a substantial gain by House of

Lerase, finally 86 dearer at 381p, while James Beattie A closed 20 up at 173p as Sir Eric Pountain was appointed to the chair. Buyers were also evident for Martin Ford, another 11 dearer at 171p on hopes of imminent asset injection developments. Wooltons Betterware, on the other hand, lost 14 of recently acquired gains to 183p: the annual results are expected

on Thursday.

Trading in the Electrical leaders remained brisk. Plessey set-tled with a gain of 4 at 22712p in a volume of 10m, while GEC (8.3m) ended that amount lower at 243p. Awaiting today's preliminary figures, Racal slipped 6 further to 251p in a volume of 6.5m shares. Elsewhere in the sector, Volex responded to the better-than-expected annual results with a gain of 12 at 357p, while Sound-tracs firmed 5 to 78p on the interim statement. Real Time Control gained 10 more to 163p, but Amstrad fell 11 to 161p following a report that the company may make a counter offer for the Fer-

gusson television subsidiary of Thorn EML Among the occasional move-ments in the Engineering sector, James Neill responded to favour-able Press mention with a gain of 7 at 253p. Renewed speculative demand left Deritend 10 higher at

demand left Deritend 10 higher at 423p and S. W. Wood 16 dearer at 118p.

Foods, one of the more lively sectors in the earlier part of the current Account traded in disappointing fashion. Most leading counters appeared content to drift words.

AMERICANS (198)

AMERICANS (198)

AMERICANS (20). CANADIANS (1).

BUILDINGS (10). CHEMICALS (2).

EVALUTION (10). FOODS (3).

EVALUTION (1).

PAPER (6). PROPERTY (8). SHIPPING (2). TRUSTS (34).

OILS (7).

PLANTATIONS (1). THIRD MARKET (1).

NEW LOWS (4).

BRITISH FUNDS (2) Treas. Spc '02''06' A'. ELECTRICALS (20).

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Treas. Spc '02''06' A'. ELECTRICALS (21).

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Treas. Spc '02''06' A'. ELECTRICALS (23).

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Treas. Spc '02''06' A'. ELECTRICALS (23).

Treas. Spc '02''06' A'. ELECTRICALS (24).

gently from the pre-weekend levels, a trend illustrated by Argyli, 6 off at 471p ahead of Thursday's preliminary figures, and J. Sainsbury, finally 7 down at 574p on further consideration of the placing and proposed purch the placing and proposed purch-ase of the outstanding interest of US-based Shaw's Supermarkels. Elsewhere, occasional specula-tive interest lifted J. England 12 to 193p, but last week's "no bid approach" statement from the

Trusthouse Forte eased a couple of pence to 258p ahead of Thurs-day's half-timer; BZW anticipate profits of around £40m while Wood Mackenzie foresee a better performance with £43m as the target

company left E. T. Sutherland

another 9 cheaper at 83p.

The majority of leading miscellaneous industrials settled with small losses on the day after fluctuating undecidedly. Pilking-ton.however, dipped 26 to 927p on profit-taking although the volume of trade was only small Elsewhere. Pearson closed 8 higher at 670p on news of the sale of the freehold of Bracken House, headquarters of the Financial Times. to Ohbayashi Europe BV for £143m cash. British Aerospace

equities cast a cloud over net asset values. There was little selling, however, and traders characterised the sector as "nervy" rather than weak. took a distinct turn for the better and rallied to close 11 higher at 544p in a volume of 3.5m shares.

Caledonia Investments jumped 42 to 369p as British and Common-wealth Holdings, up 11 at 462p, paid £427.5m for Caledonia's stake in its equity.

ratourable weekend ress men-tion stimulated demand for EIS which rose 15 to 343p, while satisfactory preliminary figures left Whiteroft 5 better at 324p. Charter Consolidated a good mar-Gold mining shares took a sharp knock following bearish comment on the outlook for bullion prices Charter Consolidated a good marin a leading US business maga-ket last week ran back 31 to 409 zine. With the bullion price down awaiting tomorrow's annual statement. Bodycote were quoted exscrip issue at 327p. Late offerings left Reuters 22 down at 787p.

Zine. With the buttion price down to \$537 at one time, losses in gold shares drove the FT Gold Mines index down by 13.4 to 376.7. Con Gold fell heavily.

left Reuters 22 down at 1819.

Motor Distributors again attracted support amid revived hopes of further rationalisation before the would-be sellers before the would-be sellers. within the sector. Lockers. a before the would-be sellers buoyant market of late, remained arrived Easier trends in the Cape to the fore and put on 5 more to set the scene for London's shake-440p with T. Cowie, unchanged at out, which was steaded towards 677p, still regarded as the most the close by a relatively good likely suitor. Buyers also showed performance in New York-fresh enthusiasm for Jessups. 11

dearer at 213p. after 218p, and for Traded options

C. D. Bramail, 5 better at 445p. Favourable comment lifted Appleyard 9 to 340p. Components succumbed to the market's general trend with Lucas, firm last week in response to the sale of the lighting division to Figt reacting Relatively subdued activity in the underlying securities resulted

in a similarly uninspiring sesson maong traded options. Total contracts struck amounted to 42,774, made up of 30,341 calls and 12,433 puts. Operators, whose attentions had recently centred on privatised "election" stocks, directed their interests to Bat. GEC and Rengen Trust positions instead. Hanson Trust positions instead. The FTISE 100 index contributed 1,142 calls and 2,083 puts.

#### Traditional Options

First dealings June 8 Last declaration Sept 16 e For Settlement Sept 21
For rate indications see end of

Unit Trust Service Stocks dealt in for the call Stocks dealt in for the Can included Martin Ford, Hampton Trust, Chloride, Atlantic Resources, Norfolk Capital, NEI, Stormguard, Rotaprint, Rolls-Royce, Fobel, Waterford Glass, Christy Hunt, Reed International, Arenson, Lanca, Greenwich Resources, Trimoco, Pavion, Amber Dzy, Abaco, Jove Capital, Weir Group, British Gas, Bula Resources, Property Trust, Sound Diffusion, Ossory, Benjamin Priest, Tie Rack and Amstrad, Puts were arranged in Norfelk Capital and Hawley, while double options were transacted in Minet. Howden

#### TRADING VOLUME IN MAJOR STOCKS

volume for Alpha securities dealt through the SEAQ system yesterday until 5 pm.

Stock	000°s	price	cnange	219CK	1003	PH PLE	Contract of
ASDA-MFI	2,900	179	-6	Ladbroke	859	426	-6
Allied Lyons	728	417	-Š	Land Securities	1.300	519	-13
	5,200	161	-11	Legal & Gen	1,800	334	-15
Amstrad	2,300	471	-6	Lloyds Sank	933	597	-2
Argyll Group			-3	Londo	890	268	<u>−ē</u>
Assoc. Brit. Foods	201	405			945	490	-ĭ5
BAT	1,500	594	-3	MEPC	3.300	245	-6
BET	586	287	-į	Marks & Spncr		623	+10
BOC	1,000	486	-1	Midland Bank	2,700	922	
BPB Inds	69	804	-16	NatWest Bank	1,300	713	-10
BPCC	2,200	312	+6	Nert	835	334	-16
BTR	5,300	316	-12	Pearson	1,100	670	+8
Barclays	556	573	-6	P&0	136	699	-1
Bass	498	ĒĬĎ	-ČŁ	Plikington Bros	779	927	-26
Beechar,	2,200	559	+3	Plessey	9,970	22712	+4
Blue Circle	543	469	-16	Prudential	346	£104	-04
	1.800	276	-10 -10	Racal	6,500	251	-6
Boots					0,300	774	-10
Bril Airways	2,200	144	-212	Rank Org	213		
Brit. Aero	3,500	544	+11	RHM	812	352	- <u>5</u>
Brit. & Comm	678	459	+8	Reckitt & Col	182	$\Omega 1^{1}$ 2	-01 <sub>E</sub>
British Gas	10,000	176	-4	Redland	643	5231	-111
Britoi)	4,100	317	-512	Reed intl	13,750	604	+28
BP	10,925	374	+7 -	Reuters	895	787	-22
Brit Telecom	9,700	290	-31 <sub>2</sub>	RMC	171	499	-1
Bunzi	1.800	265	+3°	RTZ	532	995	+7
	3,500	315	-12	Rolls-Royce	5.250	117	<u>-3</u>
Cable & Wire	2,800	406	-5	Rowntree Mac	760	526	-š
		25912	-81 <sub>2</sub>		314	352	-4
Carbury Schurps	2,000			Ryi Bank Scotland		332 430	-34
Coats Viyella	360	693		Royal Insurance	2,200	474	
Comm. Union	4,500	347	-8	5TC	2,600	295	-12
Cons. Gold	675	964	-36	Saatchi & Saatchi	506	637	-11
Cookson	268	717	-9	Sainsbury	685	574	-7
Courtaulds	281	470	-1	Scott & Newcastie .	831	238	-61 <sub>2</sub>
Dee Corps	1.800	234	_	Sears	9,000	1554	-315
Dixons Grp	2,500	36612	-817	Sedgwick	2,000	299	+6"
English China Clays.	408	466	-2	Shell Trans	1.900	£1312	+6,4
	830	373	-8	Smith & Neobew	1.450	176	-31,
Fisons	665	EIO.	_	Standard Chart	164	752	-6
Gen. Accident			-, '				
Gen. Elect	7,900	243	-3.	Storehouse	912	287	<b>–</b> ₽
Glaxo	1,500	£1615	-04	Sun Alliance	382	985	-5
Globe investment	69	18112	-012	T\$B	5,100	9712	+1
Granada	792	339	<b>-7</b> -	Талтас	1,100	288	-7
Grand Met	794	539	-8	Tesco	682	571	-13
Gus "A"	128	£13,7	-05a	Thorn EMI	1,300	727	-13
Guardian R.E.	383	£1018	-01 <sub>B</sub>	Trafalgar House	1,700	382	-10
GKN	1,100	327	-1	T'house Forte	1,700	258	-115
Sukpess	3,900	358	<u>-ŝ</u>	Unigate	42	404	_9 <sup>2</sup>
Hanson Trust	7,100	16115		Unilever	258	£32¦}	+0,3
Hawker Sidd	2,400	527	_a	United Biscults	1.000	310	-9 is
110 mm	4.400 7.200	290	-6·				
Hillsdown Hidgs	7,300			Wellcome	159	417	-6
ici	3,400	$\Omega^{44}$	+0,2	Whitbread "A"	2,000	341	+7
Jaguar	525	536	-1	Woolwarth	668	40]	-25
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**EQUITIES** 

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### FINANCIAL TIMES CONFERENCES

Favourable weekend Press men-

lighting division to Fiat, reacting

19 to 661p. Easier values also pre-vailed in Kwit-Fit, 5½ off at 212½p, and Dowty 4 lower at 274p, the latter's annual results are

scheduled for next Monday with

Chase Manhatten Securities anti-cipating pre-tax of £55m.

The Property leaders came under late selling pressure and Land Securities settled 9 lower at

522p. while MEPC finished 10 down at 495p. Hammerson A were

finally 8 off at 605p, while Greycoat preliminary figures due

on Thursday, shed 8 to 410p. Elsewhere, Sheraton gained 7 to 107p

in reply to Press comment. City-

grove rose 34 to 303p reflecting the

successful tender for a North Lon-

Several Textile issues moved

against the trend, but profit-tak-

ing after the preliminary figures left Drummond 16 cheaper at 210p.

In contrast, demand for Corah, up 18 further at 126p, persisted

following the recent management

reorganisation. Palma Group were

noteworthy for a gain of 8 at 94p

along with SEET, 10 to the good at

158p. J. Crowther hardened a

couple of pence to 220p after news

of the acquisition of a US floor

Trusts continued to drift down-

wards uneasily as the softness in

covering company for £35.4m.

**NEW HIGHS AND LOWS FOR 1987** 

don property development.

Telecommunications and the European Business Market

7 & 8 July, 1987 Hotel Inter.Continental London

Issues to be debated:

How far should companies aim to meet their communications needs from their own resources, and how far should they rely on outside suppliers?

How should communications and information systems be integrated with companies mainstream business

policies likely to develop in Britain and the rest of Western Europe?

14

How are regulatory

What are the prospects for agreement on common European telecommunications standards?

Tolocommunications and the European Besisees Market
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68pm 78pm 80pm 101<sub>8</sub>pm 230pm 347pm 95pm 65pm 35pm 109pm 7pm 86pm 71<sub>8</sub>pm 94pm 85pm Remunciation date usually last day for dealing free of stamp daty. a Annualised dividend. b Figures based on prospectus estimates. 6 Dividend rate paid or pagable on part of capital, cover based on dividend and yield. h Assumed dividend and yield after scrip issue. F Dividend and Held based on prospectus or other official estimates for 1986/7. M Dividend and Yield based on prospectus or other official estimates for 1986/7. M Dividend and Yield based on prospectus or carriers. R Forecast annualised dividend, cover and pie based on latest annual examines. R Forecast annualised dividends, cover relates to provide dividend; or ratio based on latest annual examines. Indicated dividends; cover relates to provide dividend; or ratio based on latest annual examines. Indicated dividends; cover relates to provide dividend; or ratio based on latest annual examines. In Forecast, or estimated annualised dividend rate, cover based on previous year's examines.

I inspect by render: [] Official holders of ordinary shares as a "rejuts." In I introduction. " Issued by way of capitalisation. § Placing price, § Relative securities market. 17 Official London listing. ‡1 inclinding warrants entitiement, § Placing and offer for sale price.

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TECs 15 110 u1315 13 1319 + 1s Unst 18 6 1 1515 15 15 1514 UnFedt 20 4 60 1514 1515 15 15 1514 UnFedt 20 4 60 1514 1515 15 15 1514 UnFedt 20 4 60 1514 1515 15 15 1514 UnFedt 20 4 60 1514 1515 15 15 1514 UnFedt 20 15 905 3514 343 35 + 1s UnFedt 20 4 60 48 48 48 48 48 48 48 48 48 48 48 48 48	d delivered	RISES:  BP	Reed Intl.   604 + 28   Abbey Life   257 - 9

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NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES | The color of the | Stock | Dire | Tel. | E | 1985 | Instract | 124 | 25 | 21 | 1381 | Instract | 140 | 14 | 25 | 25 | 21 | 1381 | Instract | 140 | 143 | 25 | 25 | 25 | Instract | 140 | 143 | 25 | 25 | 25 | Instract | 140 | 143 | 25 | 25 | Instract | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 1 3618 1578 1418 178 778 84 1318 813 2438 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 Fixqua 24 7 20

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FINANCIAL TIMES

— Europe's Business Newspaper

London-Franklett New York

### FINANCIAL TIMES

#### WORLD STOCK MARKETS



### Brisk buying of takeover issues continues rally

BRISK BUYING extended Wall subsidiary to Akzo America, the US Street's summer stock market rally unit of the Dutch chemical group. to an 11th session yesterday, writes Roderick Oram in New

Help came from credit markets where Treasury long bond prices rose about three-quarters of a point on the back of a firmer dollar.

The Dow Jones industrial average closed up 24.66 points at 2,445.51, its fifth close in a row at record levels. Broader market indices followed suit with the Standard & Poor's 500 adding 2.69 to 309.66 and the New York Stock Exchange composite index rising 124 to 173.77. both records.

NYSE trading was moderately beavy at 178.9m shares with advancing issues leading those declining by a ratio of almost three-to-two.

Some institutional investors seemed keen to add to their portfolios now that last Friday's futures and options expirations were smoothly behind them. Many portfolio managers were anxious to put their relatively heavy cash positions into stocks in the remaining

seven sessions of the quarter. A lot of yesterday's action revolved around takeover issues, rumoured and actual. ACCO World rose \$4% to \$28% on more than 2.5m shares, making it the second most active NYSE issue. The office products group agreed to a bid of \$29 a share from American Brands which

fell \$% to \$46%. JWT added \$% to \$52%. The advertising agency said it could not respond by the deadline to the \$50% a share offer from WPP, a British marketing services company. It also said it was studying other options. Newspaper reports suggested it was considering a management

Meanwhile, Bear, Stearns, a Wall Street brokerage house, said it had built up a 7.33 per cent stake in JWT for itself and its clients. Bear. Stearns added \$% to \$16%.

Dayton Hudson fell \$2% to \$53% The stores chain said Dart Group, a discount retailer, had built up a stake in it but it would fight to re-

The glass, paints and chemicals group has risen strongly in recent essions on rumours it was a target of several raiders including Hanson

Trust of the UK.
ICI of the UK rose \$2% to \$95 in American Depository Receipts form. It agreed to sell the specialty

Camco jumped \$3% to \$27%. Pearson of the UK has offered to buy the 35 per cent of the oil field equipment company it does not already

Harcourt Brace Jovanovich dropped \$% to \$57. Legal action by debenture holders could thwart its recapitaliation plan which would pay a large one-time dividend to common share holders. Salomon Brothers has built up a large posi-

tion in the debentures. Allegis edged up \$% to \$90%. The Marriott Group, up \$½ to \$42%, denied it was negotiating to buy part or all of the travel group which is being broken up under a restructur-

Financial Corporation of America dropped \$1 to \$5%. Reports indicated that a number of parties were interested in buying the large, frou-bled California-based savings and loans group but alternatively it may be sold in pieces.

Keying off a firm dollar, bond prices posted moderate gains from the opening. The benchmark 8.75 cent Treasury long bond was up 1% of a point by late afternoon at 103% yielding 8.40 per cent. Shorter maturities were ahead by a smaller margin and the bond equivalent yield on T-bill rates fell a few percentage points.

The market faces two tests this week, however. Today, the consumer price index for May might show slight pick up in inflation. The consensus forecast is for a 0.4 per cent increase from April. Durable good orders, which will also be reeased today, are thought to have fallen about 1.5 per cent from April. Moreover, the market will have to absorb \$24.5bn of notes which the

Treasury is auctioning this week,

#### **CANADA**

beginning today.

IGNORING Wall Street's bright opening, Toronto stocks fell sharply as tumbling gold issues caused a broad decline

C\$2% to C\$44% and Hemlo Gold gave up C\$% to C\$21%. Lac Minerals was CS2% lower at C\$39%. Base metal issues followed golds

with Inco and Alcan CS% and CS% off respectively at C\$24% and C\$40% in active trade. Falconbridge joined them with a C\$% dip to C\$22%. Industrials were mixed

#### SOUTHAFRICA

hannesburg gold shares steeply lower as the financial rand's fall offered the market no support.

nical operations of its Stauffer

Bellwether gold issue Vaal Reefs Bellwether gold issue Vaal Reefs shadowed golds recently, gave up dived R22 to R389 and Buffels, trad-R1.25 to R38 and platinum stock ing ex dividend, hit a low for the year of R65, down R7.50. Among the R52.50.

**Paris** 

STOCK MARKET INDICES

200

**CAC General** 

June 22 Prev Year ago 2,445.51 2,420,85 1,679.54 1,027.20 1,026.94 778.13

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**GAC Gen** 

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THE EASIER bullion price led Jo-hannesburg gold shares steeply Bracken fell 40 cents to R7.20. Mining financials were pulled lower and Anglo American lost R3 R79.75. De Beers, which has Rustenburg also dropped R1.25 to Nick Bunker looks at the extent of stock exchange investigations

#### London widens insider trading net

OFFICIALS at the London Stock Exchange have launched 41 full investigations of suspected insid-er dealing since last October's Big Bang, or deregulation, it emerged yesterday.

The number represents a small increase in the rate at which cases are surfacing, the exchange

Ten of the cases have been sent to the Department of Trade and Industry, which has now begun secret inquiries into six cases. All six will probably result in criminal proceedings, the DTI

The extent of the DTT's crackdown on insider dealing has also been underlined by a policy change which means that expert

inspectors from the City of London rather than civil servants have now taken charge of five out of nine investigations started

by the DTI since last June. This has occurred because DTI investigators have been given greatly-expanded powers to gather evidence under sections of the Financial Services Act which came into force last No-

The DTI said that the nine investigations it had started since last June included three cases which have been publicly dis-cussed: the Collier affair, involving Mr Geoffrey Collier, a former employee of Morgan Grenfell the merchant bank; an alleged case involving shares in the Brit-ish and Commonwealth Group; and the investigation into leaks of confidential takeover information by civil servants.

The other six cases have been kept confidential and the DTI declined last night to name any companies or individuals in volved or to say when investigations began.

The stock exchange said that since Big Bang the Insider Deal-ing Group within its surveillance artment had launched inquiries into 69 cases where insider dealing was suspected, and launched 41 full investigations. Thirteen of these are still in pro-

The exchange said the number of inquiries was "slightly up" on the same period last year.

as bargain-hunting dominated and

the firmer dollar helped to ease

pressure on the rate between the

French franc and the D-Mark. This

in turn helped to ease tension in the

Oslo soared on a wave of buying

short-term money market.

on FFr 48 to FFr 2,248.

Milan also drifted down.

#### - EUROPE -

# Amsterdam, Brussels hit record on strong dollar

ment through most of Europe, and gloom cleared as investors took heart from Wall Street's higher close on Friday. Bearish domestic factors also appeared to slip away, although an underlying note of cau-

tion was detected on some bourses.

Frankfurt set the trend, with an active session amid large buy orders from both domestic and foreign investors inspired by a rise in the dollar. Although gains suc-cumbed to profit-taking, the Com-merzbank index of 60 leading shares, calculated at mid-session, gained 30.9 points to 1,998.3.

However, a late self-off of shares in West Germany's largest commer-cial bank, Deutsche Bank, punctured the day's highs for the market as a whole.

An early surge of foreign demand for Deutsche Bank resulted in a disparity between the Deutsche Bank share price and the price for its new 1-for-15 rights issue, taking the stock down more than DM 10 in late down DM 2.10.

Dome Mines slipped C31% to Dresdner gained DM 11 to DM 2.6 points up on its previor C315% as golds suffered from the 337.50 and Commerzbank put on set on September 5, 1986.

DM 4.20 to DM 273.50. Cars benefit-Gains were led by expored from the strong dollar, with Daimler rising DM 31 to DM 1,120 and BMW adding DM 10 to DM 660. Zurich was optimistic on the benefits of a stronger dollar for Swiss exporters, and foreign investors contributed to a broad rise on heavy

> The trading session had to be extended by more than an hour, as a resurgence of interest was noted Active trading on the back of a from investors who had been absent from the market for several

Bearer shares and certificates were generally stronger than registered stocks. Among blue-chips, SFr 2,175.

CURRENCIES (London

**KEY MARKET MONITORS** 

Blue chips, notably oils and in-dustrials, held firm at the opening but succumbed to the market's weakness in the continued absence of strong foreign buying. Details, Page 42

strong domestic institutional and The ANP/CBS all share-index

interested in three stocks. Among the day's sharpest gains were certificates of chemical company San-doz, up 8.8 per cent from SFr 175 to stay firm. Petrofina, the country's largest industrial company, gained BFr 150 to BFr 11,300,

# vestors after last week's heavy falis

LONDON A NERVOUS session closed with London equities sharply down after a firm opening amid doubt over the direction of domestic in-

terest rates and renewed lears of a rise in inflation. The FT-SE 100 index fell 21.5 to 2,244.6. The FT Ordinary index was 21.3 lower at 1,737.0.

Share prices lost ground on late selling following losses of 1% points in government bonds. Gilts weakened from the opening as the London futures market dipped and sterling con-

stock down more than DM 10 in late retail demand, closing at a record trading. It ended at DM 639.50, on Wall Street's firmer trend.

Among other leading banks, closed at an all-time high of 303.6, Dresdner gained DM 11 to DM 2.6 points up on its previous record ent internationals. Philips rose Fl 1

to Fl 51.79, and Unilever Fl 8.50 to aided by news that it was buying a specialty division of the Stauffer chemical firm recently sold to ICI

by Unilever. Brussels rose on heavy buying particularly in selected blue chips. index up 28.28 to a record 4,703.04 beating the previous high of 4,683.0 set on May 15 this year.

Foreign buyers were particularly

Brent

US BONDS

Oil Price

# ASIA

# Small-lot selling sparks third-largest Nikkei fall

#### TOKYO

SMALL-LOT selling of a variety of stocks, with the exception of some high-tech issues, sparked the third biggest ever tumble in Tokyo prices yesterday, writes Shigeo Nishi-

waki of Jiji Press.
The Nikkei average of 225 select issues fell throughout the day, closing 647.77 lower at 24,640.35 to slip below 25,000 for the first time in 15 has lost 1,287 points in three trad-ing days since it hit an all-time high June 17. sessions. The market barometer

With the collapse of the outlook which had been supporting the bull market since January - a further fall in interest rates, a gain in the yen's exchange rate and a fall in crude oil prices - investors sold in small lots while refraining from buying, market analysts said.

Volume was a small 671.95m. down from Friday's 1.8bn shares, reflecting investors' reluctance to participate in the market. Losers far outpaced gainers by 752 to 206, with 93 issues unchanged.
Investors sought high-tech blue

chips, however, in view of rising demand and the yen's fall from recent levels, which should help export profitability. Such issues accounted for six of the 10 most active stocks. Sony, which was placed ninth with 8.80m shares, particularly fanned purchases of high-tech blue

Bargains were sought in the elecchips, soaring Y110 to Y4,080. tronics sector, where Legrand rose FFr 60 to FFr 5,370 and Matra put

would produce a diagnostic drug for cancer using a monoclonal antiled by the oil sector after news that body. It shot up Y72 to Y869, exceed-Saga Petroleum was running more tests on a possible oil find in the year, on the day's third heaviest trading of 19.63m shares. Fujitsu was second most active

Barents Sea. Saga, Norway's big-gest fully private oil company, added NKr 4,5 at NKr 107.5. with 21.50m shares traded, but was Madrid was up sharply, with food unchanged at Y1,170. Matsushita and construction companies leading Electric Industrial, also closed unthe way.

Stockholm went against the trend, with higher interest rates changed at Y2,100. Hitachi and Sanyo Electric, respectively, eased to-wards the close, finishing Y30 lower and uncertainty over a mediumat Y1.120 and Y17 cheaper at Y513. term direction taking prices down. Tokyo Electric Power continued its slide, losing Y340 to close below to S\$7.50.

Y7,000 at Y6,810. This represented a Y2,610 tumble from its record high of Y9,420 set last April 22. The fall triggered selling of other utilities,

Bond prices fell sharply, mirroring the increasingly bearish mood. The yield on the 5.1 per cent gov-ernment bond due in June 1996

SOUTH KOREAN stock prices rose sharply in response to news that President Chun Doo Hwan was prepared to meet opposition leader Mr Kim Young-Sam in a hid to defuse recent anti-government unrest. The compos dex rose 4.69 to 385.70, although trade was a subdued 44.2bn won against 24.3bn won on Saturday's half-day session as many investors stayed out of the market.

opened at 3.260 per cent, up from 3.170 per cent on Friday, and closed at 3.445 per cent .

In inter-dealer trading after the close of the Tokyo Stock Exchange the yield rose further to 3.500 per cent. There was no panic selling however, as attested to by the small inter-dealer trading of Y590bn, a steep decline from the usual level of Y2,000bn to Y3,000bn.

The September contract on the futures market suffered a daily limit loss of Y2 to Y111.10.

#### **SINGAPORE**

Konishiroku Photo Industry drew SHORT-COVERING and bargainbuying on a press report that it hunting lifted Singapore share prices to a record in busy trade. The Straits Times industrial index ing a record high of Y860 scored last against the previous high of 1,243.71 cents stronger at HK\$37.75 and reached on June 5, this year. Turnover, however, was down to 55.8m to HK\$24.50. shares from Friday's 61.5m.

Fraser and Neave picked up 30 In properties, Hang Lung lost 40 cents to S\$10.90 as blue chips led cents to HK\$14.30, Hongkong Land the broad advance. Singapore Air- 5 cents to HK\$7 and Sun Hung Kai lines was 10 cents higher at S\$13.30 after receiving approval for new routes to Europe, China, Japan and the US. Inchcape added 5 cents to S\$5.65 and Singapore Land 10 cents

#### AUSTRALIA

CAUTION inspired by the forthcoming federal elections and the approaching end of the financial year on June 30 depressed Sydney share prices across the board, with many investors sidelined. The All Ordinaries index was down 24.1 at 1.774.6.

Leading mining shares were also hit by the fall in bullion prices. CRA fell 50 cents to A\$9.10, Western Mining 48 cents to AS5.94 and MIM 22 cents to AS2.18. Poseidon fell 10 cents to AS5.40 on turnover of 860,000 shares. It is the rumoured target of a takeover bid.

Bellwether resource stock BHP traded erratically to close 11 cents off at A\$9.94. Its associate company Bell lost 4 cents to A\$4.50.

In a weak industrial sector, News Corp lost 30 cents to A\$18.60. Banks

#### **HONG KONG**

PROFIT-TAKING sparked by Saturday's rise in prime interest rates led Hong Kong share prices lower in moderate trade. The Hang Seng index fell 34.45 to 3,131.19.

Financial issues, however, found some support against the trend. with the Hang Seng banking sector index 14.23 higher at 1,985.66.

Hongkong Bank added 5 cents to HK\$8.80. It continued buoyantly on last week's news that its US subsidiary, Marine Midland, had boosted its loan-loss reserves against Third added 6.82 to a new peak of 1,244.21, world debt. Hang Seng Bank was 75 Bank of East Asia climbed 10 cents

Blue chips fell to the profiteers. Properties lost 40 cents to

Elsewhere, Hutchison Whampoa gave up 30 cents to HK\$13.50 and Cheung Kong 20 cents to HK\$13.

# The Solid Gold Investment



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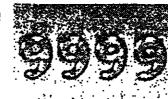
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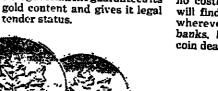
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Canada

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